

SENATE BILL No. 418

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7.

Synopsis: Redevelopment commissions. Provides that a redevelopment commission (commission) may not enter into any obligation payable from public funds without first obtaining the approval of the fiscal body of the unit that established the commission. Provides an exception if the obligation is for the acquisition of real property and the payments are for three years or less or the purchase price is less than \$5,000,000. Specifies that the approving ordinance or resolution must include certain items. Provides that a commission and a department of redevelopment are subject to oversight by the fiscal body of the unit, including review by the fiscal body of annual budgets. Eliminates the power of a commission to acquire property by eminent domain. Eliminates the law that allows a commission to change the assessment date that determines the base assessed value of property in an allocation area. Eliminates the authority of a commission to provide financial assistance to enable individuals to purchase or lease residential units. Specifies that at least 90% of the property taxes allocated to a redevelopment district and paid into an allocation fund must be used to: (1) pay bonds, leases, or other obligations; (2) provide debt service reserve; or (3) pay redemption premiums on bonds. Specifies the expiration dates applicable to certain tax increment financing allocation areas (regardless of the date on which the allocation area was established or amended). Provides that neutralization of the base assessed value after an assessment may decrease base assessed value only to the extent necessary to provide the property tax proceeds that are required to pay debt. Provides that if the base assessed value within an allocation area is less than 25% of the
(Continued next page)

Effective: July 1, 2014.

Smith J

January 14, 2014, read first time and referred to Committee on Appropriations.



total assessed value within the allocation area, the base assessed value shall be increased to an amount equal to the lesser of: (1) 25% of the total assessed value within the allocation area; or (2) an amount that will provide the property tax proceeds that are required to pay any bonds, leases, or other obligations. Provides that upon the expiration of an allocation area, any balance that is remaining in the allocation fund and that is not required to pay debt for the allocation area shall be transferred to the county auditor and used to provide property tax replacement credits to taxpayers in the county in the following year. Specifies that these provisions also apply to military base reuse areas outside Marion County. Provides that a commission may not establish a district or area, unless the fiscal body of the unit that established the commission has approved a plan that includes: (1) a description of the specific projects to be undertaken by the commission with the district or area, and a timeline specifying the beginning and ending dates for those projects; and (2) a description of the bonds, leases, or other obligations that will be issued, entered into, or incurred to finance those projects, and an estimate of the property taxes necessary to pay those bonds, leases, or obligations. Specifies that a plan must apply only to one specific project, and that if a redevelopment commission wishes to carry out one or more additional specific projects within the area, the redevelopment commission must adopt a separate plan for those additional projects. Prohibits the amendment of a plan or of a resolution establishing an allocation area. Specifies that a commission and a department of redevelopment are subject to the same laws, rules, and ordinances that apply to all other commissions or departments of the unit. Specifies that a commission, a department of redevelopment, and a redevelopment authority are subject to audit by the state board of accounts and covered by the public meetings and public records laws. Requires a commission to provide to the legislative body of the unit at a public meeting all the information supporting the action the redevelopment commission proposes to take regarding the sale, transfer, or other disposition of property. Provides that if the amount of excess assessed value determined by the commission is expected to generate more than 200% of the amount of allocated tax proceeds necessary to carry out the commission's plan, a determination of the amount of the excess available to other taxing units by the commission must be approved by the fiscal body of the unit. Permits the fiscal body of the unit to modify the commission's determination with respect to the amount of excess assessed value. Requires the treasurer of a commission outside Indianapolis and the secretary-treasurer of a redevelopment authority outside Indianapolis to report quarterly to the fiscal officer of the unit that established the commission or authority. Provides that the Indianapolis controller is the fiscal officer of the commission and redevelopment authority in Indianapolis. Authorizes the Indianapolis controller to obtain financial services on a contractual basis. Provides that a military base reuse authority in a county other than Marion County may not exercise the power of eminent domain after June 30, 2014. Specifies that after June 30, 2014, in the case of a military base reuse area in a county other than Marion County, the determination that a geographic area is a military base reuse area must also be approved by the unit's fiscal body. Provides that after June 30, 2014, a military base reuse authority in a county other than Marion County may not amend a resolution or plan for a military base reuse area. Provides that in the case of a military base reuse authority in a county other than Marion County, the military base reuse authority may not enter into a lease or issue bonds without approval of the fiscal body.



Introduced

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 418

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-7-14-0.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]: **Sec. 0.5. (a) The definitions in this section apply**
4 **throughout this chapter.**
5 **(b) "Obligation" means any bond, note, warrant, lease, contract,**
6 **or other instrument:**
7 **(1) under which money is borrowed; or**
8 **(2) under which a redevelopment commission or department**
9 **of redevelopment agrees to acquire or lease real property.**
10 **(c) "Public funds" means all fees, payments, tax receipts, and**
11 **funds of whatever kind or character that come into the possession**
12 **of a:**
13 **(1) redevelopment commission; or**
14 **(2) department of redevelopment.**
15 SECTION 2. IC 36-7-14-2.5, AS AMENDED BY P.L.221-2007,

2014

IN 418—LS 6773/DI 73



SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.5. (a) The assessment, planning, replanning, remediation, development, and redevelopment of economic development areas:

(1) are public and governmental functions that cannot be accomplished through the ordinary operations of private enterprise because of:

(A) the necessity for requiring the proper use of the land so as to best serve the interests of the county and its citizens; and

(B) the costs of these projects;

(2) will:

(A) benefit the public health, safety, morals, and welfare;

(B) increase the economic well-being of the unit and the state; and

(C) serve to protect and increase property values in the unit and the state; and

(3) are public uses and purposes for which public money may be spent and private property may be acquired.

(b) This section and sections 41 and 43 of this chapter shall be liberally construed to carry out the purposes of this section.

(c) Except as provided in subsection (d), a redevelopment commission may not incur or enter into any obligation payable from public funds without first obtaining the approval, by ordinance or resolution, of the fiscal body of the unit.

(d) A redevelopment commission is not required to obtain the approval of the fiscal body of the unit under this section if:

(1) the obligation is for the acquisition of real property under this chapter; and

(2) the agreement to acquire the real property requires the redevelopment commission to:

(A) make payments for the real property to be acquired for a term of three (3) years or less; or

(B) purchase the real property for a cost of less than five million dollars (\$5,000,000).

A redevelopment commission may not enter into an obligation payable from public funds, other than an obligation described in this subsection, unless the redevelopment commission first obtains the approval of the fiscal body of the unit as provided in subsection (c).

(e) The approving ordinance or resolution of a fiscal body under subsection (c) must include the following:

(1) The maximum amount of the obligation.



(2) The maximum interest rate or rates, any provisions for redemption before maturity, and any provisions for the payment of capitalized interest associated with the obligation.

(3) The maximum term of the obligation.

SECTION 3. IC 36-7-14-3, AS AMENDED BY P.L.190-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) A unit may establish a department of redevelopment controlled by a board of five (5) members to be known as "_____ Redevelopment Commission", designating the name of the municipality or county. However, in the case of a county, the county executive may adopt an ordinance providing that the county redevelopment commission consists of seven (7) members.

(b) A redevelopment commission and a department of redevelopment are subject to oversight by the fiscal body of the unit, including a review by the fiscal body of the commission's and department's annual budget. A redevelopment commission and a department of redevelopment are:

(1) subject to audit by the state board of accounts under IC 5-11;

(2) covered by IC 5-14-1.5 (the public meetings law); and

(3) covered by IC 5-14-3 (the public records law).

~~(b)~~ **(c)** Subject to section 3.5 of this chapter, all of the territory within the corporate boundaries of a municipality constitutes a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this chapter. Subject to section 3.5 of this chapter, all of the territory in a county, except that within a municipality that has a redevelopment commission, constitutes a taxing district for a county.

~~(c)~~ **(d)** All of the taxable property within a taxing district is considered to be benefited by redevelopment projects carried out under this chapter to the extent of the special taxes levied under this chapter.

SECTION 4. IC 36-7-14-8, AS AMENDED BY P.L.190-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. (a) The redevelopment commissioners shall hold a meeting for the purpose of organization not later than thirty (30) days after they are appointed and, after that, each year on the first day in January that is not a Saturday, a Sunday, or a legal holiday. They shall choose one (1) of their members as president, another as vice president, and another as secretary. These officers shall perform the duties usually pertaining to their offices and shall serve from the date of their election until their successors are elected and qualified.

(b) The redevelopment commission may appoint a treasurer who



1 need not be a member of the redevelopment commission. The
 2 redevelopment commission may provide for the payment of
 3 compensation to a treasurer who is not a member of the redevelopment
 4 commission. Notwithstanding any other provision of this chapter, the
 5 treasurer has charge over and is responsible for the administration,
 6 investment, and disbursement of all funds and accounts of the
 7 redevelopment commission in accordance with the requirements of this
 8 chapter. However, the treasurer may not perform any duties of the
 9 fiscal officer or any other officer of the unit that are prescribed by
 10 section 24 of this chapter or by any provisions of this chapter that
 11 pertain to the issuance and sale of bonds, notes, or warrants of the
 12 special taxing district. **The treasurer shall report quarterly to the**
 13 **fiscal officer of the unit.**

14 (c) The redevelopment commissioners may adopt the rules and
 15 bylaws they consider necessary for the proper conduct of their
 16 proceedings, the carrying out of their duties, and the safeguarding of
 17 the money and property placed in their custody by this chapter. In
 18 addition to the annual meeting, the commissioners may, by resolution
 19 or in accordance with their rules and bylaws, prescribe the date and
 20 manner of notice of other regular or special meetings.

21 (d) This subsection does not apply to a county redevelopment
 22 commission that consists of seven (7) members. Three (3) of the
 23 redevelopment commissioners constitute a quorum, and the
 24 concurrence of three (3) commissioners is necessary to authorize any
 25 action.

26 (e) This subsection applies only to a county redevelopment
 27 commission that consists of seven (7) members. Four (4) of the
 28 redevelopment commissioners constitute a quorum, and the
 29 concurrence of four (4) commissioners is necessary to authorize any
 30 action.

31 SECTION 5. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,
 32 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2014]: Sec. 12.2. (a) The redevelopment commission may do
 34 the following:

35 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 36 lease, or any combination of methods, any personal property or
 37 interest in real property needed for the redevelopment of areas
 38 needing redevelopment that are located within the corporate
 39 boundaries of the unit.

40 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 41 other instrument), exchange, lease, rent, or otherwise dispose of
 42 property acquired for use in the redevelopment of areas needing



redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired for redevelopment purposes.

(8) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(9) Survey or examine any land to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes and to determine the value of that land.

(10) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of the commissioners.

(11) Institute or defend in the name of the unit any civil action.

(12) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the department of redevelopment.

~~(13) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit in the manner prescribed by section 20 of this chapter.~~



- 1 ~~(14)~~ **(13)** Appoint an executive director, appraisers, real estate
 2 experts, engineers, architects, surveyors, and attorneys.
 3 ~~(15)~~ **(14)** Appoint clerks, guards, laborers, and other employees
 4 the commission considers advisable, except that those
 5 appointments must be made in accordance with the merit system
 6 of the unit if such a system exists.
 7 ~~(16)~~ **(15)** Prescribe the duties and regulate the compensation of
 8 employees of the department of redevelopment.
 9 ~~(17)~~ **(16)** Provide a pension and retirement system for employees
 10 of the department of redevelopment by using the Indiana public
 11 employees' retirement fund or a retirement plan approved by the
 12 United States Department of Housing and Urban Development.
 13 ~~(18)~~ **(17)** Discharge and appoint successors to employees of the
 14 department of redevelopment subject to subdivision ~~(15)~~: **(14)**.
 15 ~~(19)~~ **(18)** Rent offices for use of the department of redevelopment,
 16 or accept the use of offices furnished by the unit.
 17 ~~(20)~~ **(19)** Equip the offices of the department of redevelopment
 18 with the necessary furniture, furnishings, equipment, records, and
 19 supplies.
 20 ~~(21)~~ **(20)** Expend, on behalf of the special taxing district, all or
 21 any part of the money of the special taxing district.
 22 ~~(22)~~ **(21)** Contract for the construction of:
 23 (A) local public improvements (as defined in IC 36-7-14.5-6)
 24 or structures that are necessary for redevelopment of areas
 25 needing redevelopment or economic development within the
 26 corporate boundaries of the unit; or
 27 (B) any structure that enhances development or economic
 28 development.
 29 ~~(23)~~ **(22)** Contract for the construction, extension, or
 30 improvement of pedestrian skyways.
 31 ~~(24)~~ **(23)** Accept loans, grants, and other forms of financial
 32 assistance from the federal government, the state government, a
 33 municipal corporation, a special taxing district, a foundation, or
 34 any other source.
 35 ~~(25)~~ Provide financial assistance (including grants and loans) to
 36 enable individuals and families to purchase or lease residential
 37 units within the district. However, financial assistance may be
 38 provided only to individuals and families whose income is at or
 39 below the unit's median income for individuals and families,
 40 respectively.
 41 ~~(26)~~ Provide financial assistance (including grants and loans) to
 42 neighborhood development corporations to permit them to:



- 1 (A) provide financial assistance for the purposes described in
 2 subdivision (25); or
 3 (B) construct, rehabilitate, or repair commercial property
 4 within the district.
- 5 (27) Require as a condition of financial assistance to the owner of
 6 a multiple unit residential structure that any of the units leased by
 7 the owner must be leased:
- 8 (A) for a period to be determined by the commission, which
 9 may not be less than five (5) years;
 10 (B) to families whose income does not exceed eighty percent
 11 (80%) of the unit's median income for families; and
 12 (C) at an affordable rate.
- 13 (b) Conditions imposed by the commission under subsection (a)(27)
 14 remain in force throughout the period determined under subsection
 15 (a)(27)(A), even if the owner sells, leases, or conveys the property. The
 16 subsequent owner or lessee is bound by the conditions for the
 17 remainder of the period.
- 18 (c) (b) As used in this section, "pedestrian skyway" means a
 19 pedestrian walkway within or outside of the public right-of-way and
 20 through and above public or private property and buildings, including
 21 all structural supports required to connect skyways to buildings or
 22 buildings under construction. Pedestrian skyways constructed,
 23 extended, or improved over or through public or private property
 24 constitute public property and public improvements, constitute a public
 25 use and purpose, and do not require vacation of any public way or other
 26 property.
- 27 (d) (c) All powers that may be exercised under this chapter by the
 28 redevelopment commission may also be exercised by the
 29 redevelopment commission in carrying out its duties and purposes
 30 under IC 36-7-14.5. **However, if a power pertains to issuing bonds**
 31 **or incurring or entering into an obligation, the exercise of the**
 32 **power must first be specifically approved by the fiscal body of the**
 33 **unit, whichever applies.**
- 34 (d) A commission may not exercise the power of eminent
 35 domain.
- 36 SECTION 6. IC 36-7-14-12.3, AS AMENDED BY P.L.221-2007,
 37 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2014]: Sec. 12.3. IC 5-16-7 applies to:
- 39 (1) a person that enters into a contract with a redevelopment
 40 commission to perform construction work referred to in section
 41 12.2(a)(4), 12.2(a)(7), **12.2(a)(21), or 12.2(a)(22) or 12.2(a)(23)**
 42 of this chapter; and



(2) a subcontractor of a person described in subdivision (1);
with respect to the construction work referred to in subdivision (1).

SECTION 7. IC 36-7-14-13, AS AMENDED BY P.L.218-2013,
SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2014]: Sec. 13. (a) Not later than March 15 of each year, the
redevelopment commissioners or their designees shall file with the
unit's executive a report setting out their activities during the preceding
calendar year.

(b) The report of the commissioners of a municipal redevelopment
commission must show the names of the then qualified and acting
commissioners, the names of the officers of that body, the number of
regular employees and their fixed salaries or compensation, the amount
of the expenditures made during the preceding year and their general
purpose, an accounting of the tax increment revenues expended by any
entity receiving the tax increment revenues as a grant or loan from the
commission, the amount of funds on hand at the close of the calendar
year, and other information necessary to disclose the activities of the
commissioners and the results obtained.

(c) The report of the commissioners of a county redevelopment
commission must show all the information required by subsection (b),
plus the names of any commissioners appointed to or removed from
office during the preceding calendar year.

(d) A copy of each report filed under this section must be submitted
to the department of local government finance in an electronic format.

(e) Before August 1 each year, the redevelopment commissioners
shall also submit a report to the fiscal body of the unit. The report must
include the following information set forth for each tax increment
financing district regarding the previous year:

(1) Revenues received.

(2) Expenses paid.

(3) Fund balances.

(4) The amount and maturity date for all outstanding obligations.

(5) The amount paid on outstanding obligations.

(6) A list of all the parcels included in each tax increment
financing district allocation area and the base assessed value and
incremental assessed value for each parcel in the list.

Before October 1 each year, the fiscal body shall compile the reports
received for all the tax increment financing districts and submit a
comprehensive report to the department of local government finance
in the form required by the department of local government finance.

**(f) A redevelopment commission and a department of
redevelopment are subject to the same laws, rules, and ordinances**



that apply to all other commissions or departments of the unit.

SECTION 8. IC 36-7-14-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 13.5. (a) A redevelopment commission may not after June 30, 2014:**

(1) find that an area within its jurisdiction is an area needing redevelopment, unless the fiscal body of the unit that established the redevelopment commission has approved the redevelopment plan under subsection (b);

(2) find that an area within its jurisdiction is a redevelopment project area, unless the fiscal body of the unit that established the redevelopment commission has approved the redevelopment plan under subsection (b);

(3) find that an area within its jurisdiction is an economic development area, unless the fiscal body of the unit that established the redevelopment commission has approved the economic development area plan under subsection (b); or

(4) find that an area within its jurisdiction is an urban renewal project area, unless the fiscal body of the unit that established the redevelopment commission has approved the urban renewal plan under subsection (b).

(b) A plan subject to approval under this section must include all the following information:

(1) The data required to be prepared under section 15 of this chapter for the area.

(2) A description of the specific projects that will be undertaken by the redevelopment commission within the area, and a timeline specifying the beginning and ending dates for those projects.

(3) A description of the bonds, leases, or other obligations that will be issued, entered into, or incurred to finance the projects described in subdivision (2), and an estimate of the property taxes necessary to pay those bonds, leases, or obligations.

(c) A plan subject to approval under this section must apply only to one (1) specific project. If a redevelopment commission wishes to carry out one (1) or more additional specific projects within the area, the redevelopment commission must adopt a separate plan for those additional projects.

(d) A plan subject to approval under this section may not be amended after June 30, 2014.

SECTION 9. IC 36-7-14-15, AS AMENDED BY P.L.172-2011, SECTION 147, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Whenever the redevelopment commission finds that:

(1) an area in the territory under its jurisdiction is an area needing redevelopment;

(2) the conditions described in IC 36-7-1-3 cannot be corrected in the area by regulatory processes or the ordinary operations of private enterprise without resort to this chapter; **and**

(3) the public health and welfare will be benefited by:

(A) the acquisition and redevelopment of the area under this chapter as a redevelopment project area; or

(B) the amendment of the resolution or plan, or both, for an existing redevelopment project area; **and**

~~(4) in the case of an amendment to the resolution or plan for an existing redevelopment project area:~~

~~(A) the amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter; and~~

~~(B) the resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit;~~

the commission shall cause to be prepared the data described in subsection (b).

(b) After making a finding under subsection (a), the commission shall cause to be prepared:

(1) maps and plats showing:

(A) the boundaries of the area in which property would be acquired for, or otherwise affected by, the establishment of a redevelopment project area; ~~or the amendment of the resolution or plan for an existing area;~~

(B) the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, remediation, replatting, replanning, rezoning, or redevelopment of the area, indicating any parcels of property to be excluded from the acquisition or otherwise excluded from the effects of the establishment of the redevelopment project area; ~~or the amendment of the resolution or plan for an existing area; and~~

(C) the parts of the area acquired, if any, that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the redevelopment plan;

(2) lists of the owners of the various parcels of property proposed to be acquired for, or otherwise affected by, the establishment of an area or the amendment of the resolution or plan for an existing



1 area; and

2 (3) an estimate of the costs, if any, to be incurred for the
3 acquisition and redevelopment of property.

4 (c) This subsection applies to the initial establishment of a
5 redevelopment project area. After completion of the data required by
6 subsection (b), the redevelopment commission shall adopt a resolution
7 declaring that:

8 (1) the area needing redevelopment is a menace to the social and
9 economic interest of the unit and its inhabitants;

10 (2) it will be of public utility and benefit to acquire the area and
11 redevelop it under this chapter; and

12 (3) the area is designated as a redevelopment project area for
13 purposes of this chapter.

14 The resolution must state the general boundaries of the redevelopment
15 project area, and that the department of redevelopment proposes to
16 acquire all of the interests in the land within the boundaries, with
17 certain designated exceptions, if there are any.

18 ~~(d) This subsection applies to the amendment of the resolution or~~
19 ~~plan for an existing redevelopment project area. After completion of~~
20 ~~the data required by subsection (b), the redevelopment commission~~
21 ~~shall adopt a resolution declaring that:~~

22 ~~(1) it will be of public utility and benefit to amend the resolution~~
23 ~~or plan for the area; and~~

24 ~~(2) any additional area to be acquired under the amendment is~~
25 ~~designated as part of the existing redevelopment project area for~~
26 ~~purposes of this chapter.~~

27 The resolution must state the general boundaries of the redevelopment
28 project area, including any changes made to those boundaries by the
29 amendment, and describe the activities that the department of
30 redevelopment is permitted to take under the amendment, with any
31 designated exceptions.

32 ~~(e)~~ (d) For the purpose of adopting a resolution under subsection
33 (c), ~~or (d)~~; it is sufficient to describe the boundaries of the
34 redevelopment project area by its location in relation to public ways or
35 streams, or otherwise, as determined by the commissioners. Property
36 excepted from the application of a resolution may be described by
37 street numbers or location.

38 SECTION 10. IC 36-7-14-15.5, AS AMENDED BY P.L.119-2012,
39 SECTION 206, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2014]: Sec. 15.5. (a) This section applies to a
41 county having a population of more than two hundred fifty thousand
42 (250,000) but less than two hundred seventy thousand (270,000).



(b) In adopting a declaratory resolution under section 15 of this chapter, a redevelopment commission may include a provision stating that the redevelopment project area is considered to include one (1) or more additional areas outside the boundaries of the redevelopment project area if the redevelopment commission makes the following findings and the requirements of subsection (c) are met:

(1) One (1) or more taxpayers presently located within the boundaries of the redevelopment project area are expected within one (1) year to relocate all or part of their operations outside the boundaries of the redevelopment project area and have expressed an interest in relocating all or part of their operations within the boundaries of an additional area.

(2) The relocation described in subdivision (1) will contribute to the continuation of the conditions described in IC 36-7-1-3 in the redevelopment project area.

(3) For purposes of this section, it will be of public utility and benefit to include the additional areas as part of the redevelopment project area.

(c) Each additional area must be designated by the redevelopment commission as a redevelopment project area or an economic development area under this chapter.

(d) Notwithstanding section 3 of this chapter, the additional areas shall be considered to be a part of the redevelopment special taxing district under the jurisdiction of the redevelopment commission. Any excess property taxes that the commission has determined may be paid to taxing units under section ~~39(b)(4)~~ **39(b)(6)** of this chapter shall be paid to the taxing units from which the excess property taxes were derived. All powers of the redevelopment commission authorized under this chapter may be exercised by the redevelopment commission in additional areas under its jurisdiction.

(e) The declaratory resolution must include a statement of the general boundaries of each additional area. However, it is sufficient to describe those boundaries by location in relation to public ways, streams, or otherwise, as determined by the commissioners.

(f) The declaratory resolution may include a provision with respect to the allocation and distribution of property taxes with respect to one (1) or more of the additional areas in the manner provided in section 39 of this chapter. If the redevelopment commission includes such a provision in the resolution, allocation areas in the redevelopment project area and in the additional areas considered to be part of the redevelopment project area shall be considered a single allocation area for purposes of this chapter.



(g) The additional areas must be located within the same county as the redevelopment project area but are not otherwise required to be within the jurisdiction of the redevelopment commission, if the redevelopment commission obtains the consent by ordinance of:

(1) the county legislative body, for each additional area located within the unincorporated part of the county; or

(2) the legislative body of the city or town affected, for each additional area located within a city or town.

In granting its consent, the legislative body shall approve the plan of development or redevelopment relating to the additional area.

~~(h) A declaratory resolution previously adopted may be amended to include a provision to include additional areas as set forth in this section and an allocation provision under section 39 of this chapter with respect to one (1) or more of the additional areas in accordance with sections 15, 16, and 17 of this chapter.~~

~~(i) The redevelopment commission may amend the allocation provision of a declaratory resolution in accordance with sections 15, 16, and 17 of this chapter to change the assessment date that determines the base assessed value of property in the allocation area to any assessment date following the effective date of the allocation provision of the declaratory resolution. Such a change may relate to the assessment date that determines the base assessed value of that portion of the allocation area that is located in the redevelopment project area alone; that portion of the allocation area that is located in an additional area alone; or the entire allocation area.~~

SECTION 11. IC 36-7-14-16, AS AMENDED BY P.L.146-2008, SECTION 727, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) This subsection does not apply to the redevelopment commission of an excluded city described in section 1(b) of this chapter. After adoption under section 15 of this chapter of a resolution that designates a redevelopment project area, ~~or amends the resolution or plan for an existing area;~~ the redevelopment commission shall submit the resolution and supporting data to the plan commission of the unit, or if there is no plan commission, then to the body charged with the duty of developing a general plan for the unit, if there is such a body. The plan commission may determine whether the resolution and the redevelopment plan conform to the plan of development for the unit and approve or disapprove the resolution and plan proposed. The redevelopment commission may amend or modify the resolution and proposed plan in order to conform them to the requirements of the plan commission. The plan commission shall issue its written order approving or disapproving the resolution and



1 redevelopment plan, and may, with the consent of the redevelopment
2 commission, rescind or modify that order.

3 (b) This subsection does not apply to the redevelopment
4 commission of an excluded city described in section 1(b) of this
5 chapter. The redevelopment commission may not proceed with

6 ~~(1) the acquisition of a redevelopment project area or~~

7 ~~(2) the implementation of an amendment to the resolution or plan~~
8 ~~for an existing redevelopment project area;~~

9 until the approving order of the plan commission is issued and
10 approved by the municipal legislative body or county executive.

11 (c) In determining the location and extent of a redevelopment
12 project area proposed to be acquired for redevelopment, the
13 redevelopment commission and the plan commission of the unit shall
14 give consideration to transitional and permanent provisions for
15 adequate housing for the residents of the area who will be displaced by
16 the redevelopment project.

17 (d) After adoption under section 15 of this chapter of a resolution
18 that designates a redevelopment project area, ~~or amends the resolution~~
19 ~~or plan for an existing area;~~ a redevelopment commission in an
20 excluded city that is exempt from the requirements of subsections (a)
21 and (b) shall submit the resolution and supporting data to the municipal
22 legislative body of the excluded city. The municipal legislative body
23 may:

24 (1) determine if the resolution and the redevelopment plan
25 conform to the plan of development for the unit; and

26 (2) approve or disapprove the resolution and plan proposed.

27 SECTION 12. IC 36-7-14-17, AS AMENDED BY P.L.146-2008,
28 SECTION 728, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) After receipt of the written
30 order of approval of the plan commission and approval of the
31 municipal legislative body or county executive, the redevelopment
32 commission shall publish notice of the adoption and substance of the
33 resolution in accordance with IC 5-3-1. The notice must:

34 (1) state that maps and plats have been prepared and can be
35 inspected at the office of the department; and

36 (2) name a date when the commission will:

37 (A) receive and hear remonstrances and objections from
38 persons interested in or affected by the proceedings pertaining
39 to the proposed project or other actions to be taken under the
40 resolution; and

41 (B) determine the public utility and benefit of the proposed
42 project or other actions.



1 All persons affected in any manner by the hearing, including all
 2 taxpayers of the special taxing district, shall be considered notified of
 3 the pendency of the hearing and of subsequent acts, hearings,
 4 adjournments, and orders of the commission by the notice given under
 5 this section.

6 (b) A copy of the notice of the hearing on the resolution shall be
 7 filed in the office of the unit's plan commission, board of zoning
 8 appeals, works board, park board, and building commissioner, and any
 9 other departments, bodies, or officers of the unit having to do with unit
 10 planning, variances from zoning ordinances, land use, or the issuance
 11 of building permits. These agencies and officers shall take notice of the
 12 pendency of the hearing and, until the commission confirms, modifies
 13 and confirms, or rescinds the resolution, or the confirmation of the
 14 resolution is set aside on appeal, may not:

15 (1) authorize any construction on property or sewers in the area
 16 described in the resolution, including substantial modifications,
 17 rebuilding, conversion, enlargement, additions, and major
 18 structural improvements; or

19 (2) take any action regarding the zoning or rezoning of property,
 20 or the opening, closing, or improvement of streets, alleys, or
 21 boulevards in the area described in the resolution.

22 This subsection does not prohibit the granting of permits for ordinary
 23 maintenance or minor remodeling, or for changes necessary for the
 24 continued occupancy of buildings in the area.

25 (c) If the resolution to be considered at the hearing includes a
 26 provision establishing ~~or amending~~ an allocation provision under
 27 section 39 of this chapter, the redevelopment commission shall file the
 28 following information with each taxing unit that is wholly or partly
 29 located within the allocation area:

30 (1) A copy of the notice required by subsection (a).

31 (2) A statement disclosing the impact of the allocation area,
 32 including the following:

33 (A) The estimated economic benefits and costs incurred by the
 34 allocation area, as measured by increased employment and
 35 anticipated growth of real property assessed values.

36 (B) The anticipated impact on tax revenues of each taxing unit.

37 The redevelopment commission shall file the information required by
 38 this subsection with the officers of the taxing unit who are authorized
 39 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten
 40 (10) days before the date of the hearing.

41 (d) At the hearing, which may be adjourned from time to time, the
 42 redevelopment commission shall hear all persons interested in the



proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the commission shall take final action determining the public utility and benefit of the proposed project or other actions to be taken under the resolution, and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the commission shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 18 of this chapter.

SECTION 13. IC 36-7-14-17.5 IS REPEALED [EFFECTIVE JULY 1, 2014]. Sec. 17.5: (a) In addition to the requirements of section 17 of this chapter, if the resolution or plan for an existing redevelopment project area is proposed to be amended in a way that changes:

(1) parts of the area that are to be devoted to a public way, levee, sewerage, park, playground, or other public purposes;

(2) the proposed use of the land in the area; or

(3) requirements for rehabilitation, building requirements, proposed zoning, maximum densities, or similar requirements; the commission must, at least ten (10) days before the public hearing under section 17 of this chapter, send the notice required by section 17 of this chapter by first class mail to affected neighborhood associations:

(b) In addition to the requirements of section 17 of this chapter, if the resolution or plan for an existing redevelopment project area is proposed to be amended in a way that:

(1) enlarges the boundaries of the area; or

(2) adds one (1) or more parcels to the list of parcels to be acquired;

the commission must, at least ten (10) days before the public hearing under section 17 of this chapter, send the notice required by section 17 of this chapter by first class mail to affected neighborhood associations and to persons owning property that is in the proposed enlargement of the area or that is proposed to be added to the acquisition list. If the enlargement of an area is proposed, notice must also be filed in accordance with section 17(b) of this chapter, and agencies and officers may not take actions prohibited by section 17(b) of this chapter in the proposed enlarged area:

(c) The commission may require that neighborhood associations register with the commission. The commission may adopt a rule that requires that a neighborhood association encompass a part of the geographic area included in or proposed to be included in a redevelopment project area, urban renewal area, or economic development area to qualify as an affected neighborhood association.

SECTION 14. IC 36-7-14-19, AS AMENDED BY P.L.185-2005,



SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) If no appeal is taken or if an appeal is taken but is unsuccessful, the redevelopment commission shall proceed with the proposed project to the extent that money is available for that purpose.

(b) The redevelopment commission shall first approve and adopt a list of the real property and interests in real property to be acquired and the price to be offered to the owner of each parcel of interest. The prices to be offered may not exceed the average of two (2) independent appraisals of fair market value procured by the commission except that appraisals are not required in transactions with other governmental agencies. However, if the real property is less than five (5) acres in size and the fair market value of the real property or interest has been appraised by one (1) independent appraiser at less than ten thousand dollars (\$10,000), the second appraisal may be made by a qualified employee of the department of redevelopment. The prices indicated on the list may not be exceeded unless specifically authorized by the commission or ordered by a court in condemnation proceedings. The commission may except from acquisition any real property in the area if the commission finds that such an acquisition is not necessary under the redevelopment plan. Appraisals made under this section are for the information of the commission and are not open for public inspection.

(c) Negotiations for the purchase of property may be carried on directly by the redevelopment commission, by its employees, or by expert negotiations, but no option, contract, or understanding relative to the purchase of real property is binding on the commission until approved and accepted by the commission in writing. The commission may authorize the payment of a nominal fee to bind an option and as a part of the consideration for conveyance may agree to pay the expense incident to the conveyance and determination of the title of the property. Payment for the property purchased shall be made when and as directed by the commission but only on delivery of proper instruments conveying the title or interest of the owner to the "City (Town or County) of _____ for the use and benefit of its department of redevelopment". **Notwithstanding the other provisions of this subsection, any agreement by the commission to:**

(1) make payments for the property to be purchased for a term exceeding three (3) years; or

(2) pay a purchase price for the property that exceeds five million dollars (\$5,000,000);

is subject to the prior approval of the fiscal body of the unit.

(d) All real property and interests in real property acquired by the



1 redevelopment commission are free and clear of all liens, assessments,
 2 and other governmental charges except for current property taxes,
 3 which shall be prorated to the date of acquisition.

4 (e) Notwithstanding subsections (a) through (d), the redevelopment
 5 commission may, before the time referred to in this section, accept gifts
 6 of property needed for the redevelopment of redevelopment project
 7 areas if the property is free and clear of all liens other than taxes,
 8 assessments, and other governmental charges. The commission may,
 9 before the time referred to in this section, take options on or contract
 10 for the acquisition of property needed for the redevelopment of
 11 redevelopment project areas if the options and contracts are not binding
 12 on the commission or the district until the time referred to in this
 13 section and until money is available to pay the consideration set out in
 14 the options or contracts.

15 SECTION 15. IC 36-7-14-20 IS REPEALED [EFFECTIVE JULY
 16 1, 2014]. Sec. 20: (a) Subject to the approval of the legislative body of
 17 the unit that established the department of redevelopment, if the
 18 redevelopment commission considers it necessary to acquire real
 19 property in a redevelopment project area by the exercise of the power
 20 of eminent domain, the commission shall adopt a resolution setting out
 21 its determination to exercise that power and directing its attorney to file
 22 a petition in the name of the unit on behalf of the department of
 23 redevelopment, in the circuit or superior court of the county in which
 24 the property is situated:

25 (b) Eminent domain proceedings under this section are governed by
 26 IC 32-24 and other applicable statutory provisions for the exercise of
 27 the power of eminent domain. Property already devoted to a public use
 28 may be acquired under this section, but property belonging to the state
 29 or any political subdivision may not be acquired without its consent.

30 (c) The court having jurisdiction shall direct the clerk of the circuit
 31 court to execute a deed conveying the title of real property acquired
 32 under this section to the unit for the use and benefit of its department
 33 of redevelopment:

34 SECTION 16. IC 36-7-14-22.5, AS AMENDED BY P.L.118-2013,
 35 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2014]: Sec. 22.5. (a) This section applies to the following:

37 (1) Real property:

38 (A) that was acquired by the commission to carry out a
 39 redevelopment project, an economic development area project,
 40 or an urban renewal project; and

41 (B) relative to which the commission has, at a public hearing,
 42 decided that the real property is not needed to complete the



- 1 redevelopment activity, an economic development activity, or
- 2 urban renewal activity in the project area.
- 3 (2) Real property acquired under this chapter that is not in a
- 4 redevelopment project area, economic development area, or an
- 5 urban renewal project area.
- 6 (3) Parcels of property secured from the county under
- 7 IC 6-1.1-25-9(e) that were acquired by the county under
- 8 IC 6-1.1-24 and IC 6-1.1-25.
- 9 (4) Real property donated or transferred to the commission to be
- 10 held and disposed of under this section.
- 11 ~~However, this section does not apply to property acquired under section~~
- 12 ~~32.5 of this chapter.~~
- 13 (b) The commission may do the following to or for real property
- 14 described in subsection (a):
- 15 (1) Examine, classify, manage, protect, insure, and maintain the
- 16 property.
- 17 (2) Eliminate deficiencies (including environmental deficiencies),
- 18 carry out repairs, remove structures, and make improvements.
- 19 (3) Control the use of the property.
- 20 (4) Lease the property.
- 21 (5) Use any powers under section 12.2 of this chapter in relation
- 22 to the property.
- 23 (c) The commission may enter into contracts to carry out part or all
- 24 of the functions described in subsection (b).
- 25 (d) The commission may extinguish all delinquent taxes, special
- 26 assessments, and penalties relative to real property donated to the
- 27 commission to be held and disposed of under this section. The
- 28 commission shall provide the county auditor with a list of the real
- 29 property on which delinquent taxes, special assessments, and penalties
- 30 are extinguished under this subsection.
- 31 (e) **Subject to the prior approval by the fiscal body of the unit,**
- 32 real property described in subsection (a) may be sold, exchanged,
- 33 transferred, granted, donated, or otherwise disposed of in any of the
- 34 following ways:
- 35 (1) In accordance with section 22, 22.2, 22.6, or 22.7 of this
- 36 chapter.
- 37 (2) In accordance with the provisions authorizing an urban
- 38 homesteading program under IC 36-7-17 or IC 36-7-17.1.
- 39 **The commission shall provide to the fiscal body of the unit at a**
- 40 **public meeting all the information supporting the action the**
- 41 **commission proposes to take under this subsection, including any**
- 42 **terms and conditions to which the commission would have to agree**



1 **to carry out the action.**

2 (f) In disposing of real property under subsection (e), the
3 commission may:

4 (1) group together properties for disposition in a manner that will
5 best serve the interest of the community, from the standpoint of
6 both human and economic welfare; and

7 (2) group together nearby or similar properties to facilitate
8 convenient disposition.

9 SECTION 17. IC 36-7-14-25.1, AS AMENDED BY P.L.203-2011,
10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2014]: Sec. 25.1. (a) In addition to other methods of raising
12 money for property acquisition or redevelopment in a redevelopment
13 project area, and in anticipation of the special tax to be levied under
14 section 27 of this chapter, the taxes allocated under section 39 of this
15 chapter, or other revenues of the district, or any combination of these
16 sources, the redevelopment commission may, by **bond** resolution and
17 subject to ~~subsection~~ **subsections (c) and (p)**, issue the bonds of the
18 special taxing district in the name of the unit. The amount of the bonds
19 may not exceed the total, as estimated by the commission, of all
20 expenses reasonably incurred in connection with the acquisition and
21 redevelopment of the property, including:

22 (1) the total cost of all land, rights-of-way, and other property to
23 be acquired and redeveloped;

24 (2) all reasonable and necessary architectural, engineering, legal,
25 financing, accounting, advertising, bond discount, and
26 supervisory expenses related to the acquisition and redevelopment
27 of the property or the issuance of bonds;

28 (3) capitalized interest permitted by this chapter and a debt
29 service reserve for the bonds to the extent the redevelopment
30 commission determines that a reserve is reasonably required; and

31 (4) expenses that the redevelopment commission is required or
32 permitted to pay under IC 8-23-17.

33 (b) If the redevelopment commission plans to acquire different
34 parcels of land or let different contracts for redevelopment work at
35 approximately the same time, whether under one (1) or more
36 resolutions, the commission may provide for the total cost in one (1)
37 issue of bonds.

38 **(c) The fiscal body of the unit must adopt a resolution that**
39 **specifies the public purpose of the bond, the use of the bond**
40 **proceeds, the maximum principal amount of the bond, the term of**
41 **the bond, and the maximum interest rate or rates of the bond, any**
42 **provision for redemption before maturity, and any provision for**



1 **the payment of capitalized interest.** The bonds must be dated as set
 2 forth in the bond resolution and negotiable, subject to the requirements
 3 of the bond resolution for registering the bonds. The resolution
 4 authorizing the bonds must state:

- 5 (1) the denominations of the bonds;
 6 (2) the place or places at which the bonds are payable; and
 7 (3) the term of the bonds, which may not exceed:
 8 (A) fifty (50) years, for bonds issued before July 1, 2008;
 9 (B) thirty (30) years, for bonds issued after June 30, 2008, to
 10 finance:
 11 (i) an integrated coal gasification powerplant (as defined in
 12 IC 6-3.1-29-6);
 13 (ii) a part of an integrated coal gasification powerplant (as
 14 defined in IC 6-3.1-29-6); or
 15 (iii) property used in the operation or maintenance of an
 16 integrated coal gasification powerplant (as defined in
 17 IC 6-3.1-29-6);
 18 that received a certificate of public convenience and necessity
 19 from the Indiana utility regulatory commission under
 20 IC 8-1-8.5 et seq. before July 1, 2008; or
 21 (C) twenty-five (25) years, for bonds issued after June 30,
 22 2008, that are not described in clause (B).

23 The **bond** resolution may also state that the bonds are redeemable
 24 before maturity with or without a premium, as determined by the
 25 redevelopment commission.

26 (d) The redevelopment commission shall certify a copy of the
 27 resolution authorizing the bonds to the municipal or county fiscal
 28 officer, who shall then prepare the bonds, subject to ~~subsection~~
 29 **subsections (c) and (p)**. The seal of the unit must be impressed on the
 30 bonds, or a facsimile of the seal must be printed on the bonds.

31 (e) The bonds must be executed by the appropriate officer of the
 32 unit and attested by the municipal or county fiscal officer.

33 (f) The bonds are exempt from taxation for all purposes.

34 (g) The municipal or county fiscal officer shall give notice of the
 35 sale of the bonds by publication in accordance with IC 5-3-1. The
 36 municipal fiscal officer, or county fiscal officer or executive, shall sell
 37 the bonds to the highest bidder, but may not sell them for less than
 38 ninety-seven percent (97%) of their par value. However, bonds payable
 39 solely or in part from tax proceeds allocated under section 39(b)(3) of
 40 this chapter, or other revenues of the district may be sold at a private
 41 negotiated sale.

42 (h) Except as provided in subsection (i), a redevelopment



commission may not issue the bonds when the total issue, including bonds already issued and to be issued, exceeds two percent (2%) of the adjusted value of the taxable property in the special taxing district, as determined under IC 36-1-15.

(i) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the redevelopment commission:

- (1) from a special tax levied upon all of the property in the taxing district, as provided by section 27 of this chapter;
- (2) from the tax proceeds allocated under section 39(b)(3) of this chapter;
- (3) from other revenues available to the redevelopment commission; or
- (4) from a combination of the methods stated in subdivisions (1) through (3).

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(3) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount ~~without limitation~~. **not to exceed the maximum amount approved by the fiscal body in the resolution described in subsection (c).**

(j) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(k) All laws relating to the giving of notice of the issuance of bonds, the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the department of local government finance apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to:

- (1) the filing of petitions requesting the issuance of bonds; and
- (2) the right of:
 - (A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or
 - (B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

apply to bonds issued under this chapter except for bonds payable solely from tax proceeds allocated under section 39(b)(3) of this



chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be:

(1) deposited in the allocation fund established under section 39(b)(3) of this chapter; and

(2) to the extent permitted by law, transferred to the county or municipality that established the department of redevelopment for use in reducing the county's or municipality's property tax levies for debt service.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the redevelopment commission. The redevelopment commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the redevelopment commission that are payable solely from revenues of the commission shall contain a statement to that effect in the form of bond.

(p) If the total principal amount of bonds authorized by a resolution of the redevelopment commission adopted before July 1, 2008, is equal to or greater than three million dollars (\$3,000,000), the bonds may not be issued without the approval, by resolution, of the legislative body of the unit. Bonds authorized in any principal amount by a resolution of the redevelopment commission adopted after June 30, 2008, may not be issued without the approval of the ~~legislative~~ **fiscal** body of the unit.

SECTION 18. IC 36-7-14-25.2, AS AMENDED BY P.L. 146-2008, SECTION 733, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 25.2. (a) **Subject to the prior approval of the fiscal body of the unit under subsection (c), a**



1 redevelopment commission may enter into a lease of any property that
 2 could be financed with the proceeds of bonds issued under this chapter
 3 with a lessor for a term not to exceed:

- 4 (1) fifty (50) years, for a lease entered into before July 1, 2008; or
 5 (2) twenty-five (25) years, for a lease entered into after June 30,
 6 2008.

7 The lease may provide for payments to be made by the redevelopment
 8 commission from special benefits taxes levied under section 27 of this
 9 chapter, taxes allocated under section 39 of this chapter, any other
 10 revenues available to the redevelopment commission, or any
 11 combination of these sources.

12 (b) A lease may provide that payments by the redevelopment
 13 commission to the lessor are required only to the extent and only for the
 14 period that the lessor is able to provide the leased facilities in
 15 accordance with the lease. The terms of each lease must be based upon
 16 the value of the facilities leased and may not create a debt of the unit
 17 or the district for purposes of the Constitution of the State of Indiana.

18 (c) A lease may be entered into by the redevelopment commission
 19 only after a public hearing by the redevelopment commission at which
 20 all interested parties are provided the opportunity to be heard. After the
 21 public hearing, the redevelopment commission may adopt a resolution
 22 authorizing the execution of the lease on behalf of the unit if it finds
 23 that the service to be provided throughout the term of the lease will
 24 serve the public purpose of the unit and is in the best interests of its
 25 residents. Any lease approved by a resolution of the redevelopment
 26 commission must **also** be approved by an ordinance **or resolution** of
 27 the fiscal body of the unit. **The approving ordinance or resolution of**
 28 **the fiscal body must include the following:**

- 29 **(1) The maximum annual lease rental for the lease.**
 30 **(2) The maximum interest rate or rates, any provisions for**
 31 **redemption before maturity, and any provisions for the**
 32 **payment of capitalized interest associated with the lease.**
 33 **(3) The maximum term of the lease.**

34 (d) Upon execution of a lease providing for payments by the
 35 redevelopment commission in whole or in part from the levy of special
 36 benefits taxes under section 27 of this chapter and upon approval of the
 37 lease by the unit's fiscal body, the redevelopment commission shall
 38 publish notice of the execution of the lease and its approval in
 39 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
 40 redevelopment district who will be affected by the lease and who may
 41 be of the opinion that no necessity exists for the execution of the lease
 42 or that the payments provided for in the lease are not fair and



1 reasonable may file a petition in the office of the county auditor within
 2 thirty (30) days after the publication of the notice of execution and
 3 approval. The petition must set forth the petitioners' names, addresses,
 4 and objections to the lease and the facts showing that the execution of
 5 the lease is unnecessary or unwise or that the payments provided for in
 6 the lease are not fair and reasonable, as the case may be.

7 (e) Upon the filing of the petition, the county auditor shall
 8 immediately certify a copy of it, together with such other data as may
 9 be necessary in order to present the questions involved, to the
 10 department of local government finance. Upon receipt of the certified
 11 petition and information, the department of local government finance
 12 shall fix a time and place for a hearing in the redevelopment district,
 13 which must be not less than five (5) or more than thirty (30) days after
 14 the time is fixed. Notice of the hearing shall be given by the department
 15 of local government finance to the members of the fiscal body, to the
 16 redevelopment commission, and to the first fifty (50) petitioners on the
 17 petition by a letter signed by the commissioner or deputy commissioner
 18 of the department and enclosed with fully prepaid postage sent to those
 19 persons at their usual place of residence, at least five (5) days before
 20 the date of the hearing. The decision of the department of local
 21 government finance on the appeal, upon the necessity for the execution
 22 of the lease, and as to whether the payments under it are fair and
 23 reasonable, is final.

24 (f) A redevelopment commission entering into a lease payable from
 25 allocated taxes under section 39 of this chapter or other available funds
 26 of the redevelopment commission may:

27 (1) pledge the revenue to make payments under the lease pursuant
 28 to IC 5-1-14-4; and

29 (2) establish a special fund to make the payments.

30 (g) Lease rentals may be limited to money in the special fund so that
 31 the obligations of the redevelopment commission to make the lease
 32 rental payments are not considered debt of the unit or the district for
 33 purposes of the Constitution of the State of Indiana.

34 (h) Except as provided in this section, no approvals of any
 35 governmental body or agency are required before the redevelopment
 36 commission enters into a lease under this section.

37 (i) An action to contest the validity of the lease or to enjoin the
 38 performance of any of its terms and conditions must be brought within
 39 thirty (30) days after the publication of the notice of the execution and
 40 approval of the lease. However, if the lease is payable in whole or in
 41 part from tax levies and an appeal has been taken to the department of
 42 local government finance, an action to contest the validity or enjoin the



performance must be brought within thirty (30) days after the decision of the department.

(j) If a redevelopment commission exercises an option to buy a leased facility from a lessor, the redevelopment commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the redevelopment commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the redevelopment commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 19. IC 36-7-14-27, AS AMENDED BY P.L.203-2011, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 27. (a) This section applies only to:

- (1) bonds that are issued under section 25.1 of this chapter; and
- (2) leases entered into under section 25.2 of this chapter;

which are payable from a special tax levied upon all of the property in the special taxing district. This section does not apply to bonds or leases that are payable solely from tax proceeds allocated under section 39(b)(3) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(b) The redevelopment commission, **with the prior approval of the fiscal body**, shall levy each year a special tax on all of the property of the redevelopment taxing district, in such a manner as to meet and pay the principal of the bonds as they mature, together with all accruing interest on the bonds or lease rental payments under section 25.2 of this chapter. The commission shall cause the tax levied to be certified to the proper officers as other tax levies are certified, and to the auditor of the county in which the redevelopment district is located, before the second day of October in each year. The tax shall be estimated and entered on the tax duplicate by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other state and county taxes are estimated, entered, collected, and enforced. The amount of the tax levied to pay bonds or lease rentals payable from the tax levied under this section shall be reduced by any amount available in the allocation fund established under section 39(b)(3) of this chapter or other revenues of the redevelopment commission to the extent such revenues have been set aside in the redevelopment bond fund.

(c) As the tax is collected, it shall be accumulated in a separate fund to be known as the redevelopment district bond fund and shall be



1 applied to the payment of the bonds as they mature and the interest on
 2 the bonds as it accrues, or to make lease payments and to no other
 3 purpose. All accumulations of the fund before their use for the payment
 4 of bonds and interest or to make lease payments shall be deposited with
 5 the depository or depositories for other public funds of the unit in
 6 accordance with IC 5-13, unless they are invested under IC 5-13-9.

7 (d) If there are no outstanding bonds that are payable solely or in
 8 part from tax proceeds allocated under section 39(b)(3) of this chapter
 9 and that were issued to pay costs of redevelopment in an allocation area
 10 that is located wholly or in part in the special taxing district, then all
 11 proceeds from the sale or leasing of property in the allocation area
 12 under section 22 of this chapter shall be paid into the redevelopment
 13 district bond fund and become a part of that fund. In arriving at the tax
 14 levy for any year, the redevelopment commission shall take into
 15 account the amount of the proceeds deposited under this subsection and
 16 remaining on hand.

17 (e) The tax levies provided for in this section are reviewable by
 18 other bodies vested by law with the authority to ascertain that the levies
 19 are sufficient to raise the amount that, with other amounts available, is
 20 sufficient to meet the payments under the lease payable from the levy
 21 of taxes.

22 SECTION 20. IC 36-7-14-27.5, AS AMENDED BY P.L.146-2008,
 23 SECTION 735, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2014]: Sec. 27.5. (a) **Subject to the prior**
 25 **approval by the fiscal body of the unit**, the redevelopment
 26 commission may borrow money in anticipation of receipt of the
 27 proceeds of taxes levied for the redevelopment district bond fund and
 28 not yet collected, and may evidence this borrowing by issuing warrants
 29 of the redevelopment district. However, the aggregate principal amount
 30 of warrants issued in anticipation of and payable from the same tax
 31 levy or levies may not exceed an amount equal to eighty percent (80%)
 32 of that tax levy or levies, as certified by the department of local
 33 government finance, or as determined by multiplying the rate of tax as
 34 finally approved by the total assessed valuation (after deducting all
 35 mortgage deductions) within the redevelopment district, as most
 36 recently certified by the county auditor.

37 (b) The warrants may be authorized and issued at any time after the
 38 tax or taxes in anticipation of which they are issued have been levied
 39 by the redevelopment commission. For purposes of this section, taxes
 40 for any year are considered to be levied upon adoption by the
 41 commission of a resolution prescribing the tax levies for the year.
 42 However, the warrants may not be delivered and paid for before final



1 approval of the tax levy or levies by the county board of tax adjustment
 2 or, if appealed, by the department of local government finance, unless
 3 the issuance of the warrants has been approved by the department.

4 (c) All action that this section requires or authorizes the
 5 redevelopment commission to take may be taken by resolution, which
 6 need not be published or posted. The resolution takes effect
 7 immediately upon its adoption by the redevelopment commission. An
 8 action to contest the validity of tax anticipation warrants may not be
 9 brought later than ten (10) days after the sale date.

10 (d) In their resolution authorizing the warrants, the redevelopment
 11 commission must provide that the warrants mature at a time or times
 12 not later than December 31 after the year in which the taxes in
 13 anticipation of which the warrants are issued are due and payable.

14 (e) In their resolution authorizing the warrants, the redevelopment
 15 commission may provide:

- 16 (1) the date of the warrants;
- 17 (2) the interest rate of the warrants;
- 18 (3) the time of interest payments on the warrants;
- 19 (4) the denomination of the warrants;
- 20 (5) the form either registered or payable to bearer, of the warrants;
- 21 (6) the place or places of payment of the warrants, either inside or
- 22 outside the state;
- 23 (7) the medium of payment of the warrants;
- 24 (8) the terms of redemption, if any, of the warrants, at a price not
- 25 exceeding par value and accrued interest;
- 26 (9) the manner of execution of the warrants; and
- 27 (10) that all costs incurred in connection with the issuance of the
- 28 warrants may be paid from the proceeds of the warrants.

29 (f) The warrants shall be sold for not less than par value, after notice
 30 inviting bids has been published under IC 5-3-1. The redevelopment
 31 commission may also publish the notice in other newspapers or
 32 financial journals.

33 (g) Warrants and the interest on them are not subject to any
 34 limitation contained in section 25.1 of this chapter, and are payable
 35 solely from the proceeds of the tax levy or levies in anticipation of
 36 which the warrants were issued. The authorizing resolution must
 37 pledge a sufficient amount of the proceeds of the tax levy or levies to
 38 the payment of the warrants and the interest.

39 SECTION 21. IC 36-7-14-32.5 IS REPEALED [EFFECTIVE JULY
 40 1, 2014]. ~~Sec. 32-5: (a) Subject to the approval of the fiscal body of the~~
 41 ~~unit that established the department of redevelopment, the commission~~
 42 ~~may acquire a parcel of real property by the exercise of eminent~~



domain when the real property has all of the following characteristics:

(1) The real property meets at least one (1) of the conditions described in IC 32-24-4.5-7(1):

(2) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate income families or to provide other development that will benefit or serve low or moderate income families.

(3) The condition of the real property has a negative impact on the use or value of the neighboring properties or other properties in the community:

(b) The commission or the commission's designated hearing examiner shall conduct a public meeting to determine whether a parcel of real property has the characteristics set forth in subsection (a). Each person holding a fee or life estate interest of record in the property must be given notice by first class mail of the time and date of the hearing at least ten (10) days before the hearing and is entitled to present evidence and make arguments at the hearing.

(c) If the commission considers it necessary to acquire real property under this section, the commission shall adopt a resolution setting out the commission's determination to exercise that power and directing the commission's attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court with jurisdiction in the county.

(d) Eminent domain proceedings under this section are governed by IC 32-24.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17 or IC 36-7-17.1.

(2) Sale to a family whose income is at or below the county's median income for families.

(3) Sale or grant to a neighborhood development corporation with a condition in the granting clause of the deed requiring the nonprofit development corporation to lease or sell the property to a family whose income is at or below the county's median income for families or to cause development that will serve or benefit families whose income is at or below the unit's median income for families.

(4) Any other purpose appropriate under this chapter so long as it will serve or benefit families whose income is at or below the unit's median income for families.

(f) A neighborhood development corporation or nonprofit



1 corporation that receives property under this section must agree to
 2 rehabilitate or otherwise develop the property in a manner that is
 3 similar to and consistent with the use of the other properties in the area
 4 served by the corporation.

5 SECTION 22. IC 36-7-14-36, AS AMENDED BY P.L.185-2005,
 6 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2014]: Sec. 36. (a) In addition to all of the other powers,
 8 authority, and jurisdiction of a redevelopment commission operating
 9 under this chapter, a commission may undertake a neighborhood
 10 development program. A neighborhood development program may
 11 include one (1) or more contiguous or noncontiguous areas needing
 12 redevelopment. These areas may include redevelopment project areas
 13 or urban renewal project areas.

14 (b) Whenever the redevelopment commission finds that any area in
 15 the territory under their jurisdiction is an area needing redevelopment
 16 to an extent that cannot be corrected by regulatory processes or by the
 17 ordinary operations of private enterprise without resort to the
 18 provisions of this chapter, and that the public health and welfare would
 19 be benefited by the redevelopment or urban renewal of that area under
 20 this chapter, the commission shall prepare a description and map
 21 showing the boundaries of the area to be included in the neighborhood
 22 development program.

23 (c) After preparation of the description and map under subsection
 24 (b), the redevelopment commission shall adopt a resolution declaring,
 25 confirming, and delineating the general boundaries of the area and of
 26 the parts of that area that are to be designated as redevelopment project
 27 areas or urban renewal areas. However, an area may not be designated
 28 as a redevelopment project area or urban renewal area unless the
 29 required appraisals, maps, plats and plans have been prepared and all
 30 other requirements of this chapter are met.

31 (d) Areas designated as redevelopment project areas or urban
 32 renewal areas under this section are considered to be redevelopment
 33 project areas or urban renewal areas for all purposes of this chapter.
 34 ~~Areas within the neighborhood development program area that are not~~
 35 ~~so designated are not considered to be redevelopment project areas or~~
 36 ~~urban renewal areas until designated as such by an amendment to the~~
 37 ~~neighborhood development plan; adopted in the same manner and with~~
 38 ~~the same procedure as a declaratory and confirmatory resolution~~
 39 ~~declaring an area a redevelopment project area or urban renewal area.~~

40 (e) The redevelopment commission may make studies, appraisals,
 41 maps, plats, and plans of areas within the neighborhood development
 42 program area that have not been designated as redevelopment project



1 areas or urban renewal project areas. However, the commission may
 2 not acquire any land in those areas until ~~the a~~ a neighborhood
 3 development plan has been ~~amended~~ **adopted** to designate that land as
 4 a part of an urban renewal or redevelopment project area.

5 ~~(f) The redevelopment commission may amend the neighborhood~~
 6 ~~development plan; in the manner prescribed by subsection (d); to~~
 7 ~~include additional areas in the neighborhood development program~~
 8 ~~areas; either generally or as urban renewal or redevelopment project~~
 9 ~~areas.~~

10 ~~(g)~~ **(f)** The redevelopment commission may apply for and accept
 11 advances, loans, grants, contributions, and any other forms of financial
 12 assistance from the federal government, may contract with the federal
 13 government for any costs arising from a neighborhood development
 14 program, or may otherwise contract with the federal government
 15 concerning a neighborhood development program, to the same extent
 16 as they may for urban renewal project areas.

17 SECTION 23. IC 36-7-14-39, AS AMENDED BY P.L.218-2013,
 18 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2014]: Sec. 39. (a) As used in this section:

20 "Allocation area" means that part of a redevelopment project area
 21 to which an allocation provision of a declaratory resolution adopted
 22 under section 15 of this chapter refers for purposes of distribution and
 23 allocation of property taxes.

24 "Base assessed value" means the following:

25 (1) If an allocation provision is adopted after June 30, 1995, in a
 26 declaratory resolution or **(before July 1, 2014)** an amendment to
 27 a declaratory resolution establishing an economic development
 28 area:

29 (A) the net assessed value of all the property as finally
 30 determined for the assessment date immediately preceding the
 31 effective date of the allocation provision of the declaratory
 32 resolution, as adjusted under subsection (h); plus

33 (B) to the extent that it is not included in clause (A), the net
 34 assessed value of property that is assessed as residential
 35 property under the rules of the department of local government
 36 finance, as finally determined for any assessment date after the
 37 effective date of the allocation provision.

38 (2) If an allocation provision is adopted after June 30, 1997, in a
 39 declaratory resolution or **(before July 1, 2014)** an amendment to
 40 a declaratory resolution establishing a redevelopment project
 41 area:

42 (A) the net assessed value of all the property as finally



determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
 (B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, **and before July 1, 2014**, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage



of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. ~~A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding.~~ The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and



distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) **Subject to subdivision (5)**, reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) **Subject to subdivision (5)**, reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

~~(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to~~



taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district:

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) **(I) Subject to subdivision (5)**, pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the



allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (K); including any payments of principal and interest on bonds and other obligations payable under this subdivision; any payments of premiums under this subdivision on the redemption before maturity of bonds; and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(4) The allocation fund may not be used for operating expenses of the commission.

(5) At least ninety percent (90%) of the property taxes allocated to the redevelopment district and paid in 2015 and each year thereafter into an allocation fund for an allocation area under this chapter must be used for one (1) or more of the purposes described in subdivision (3)(A) through (3)(F).

(4) (6) Except as provided in subsection (g), before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal



body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

(i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

(ii) the amount necessary for other purposes described in subdivision (3);

the commission shall submit to the fiscal body of the unit the commission's determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The fiscal body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with



1 respect to which the allocation and distribution is made; or

2 (2) the base assessed value.

3 (d) Property tax proceeds allocable to the redevelopment district
4 under subsection (b)(3) may, subject to subsection ~~(b)(4)~~; **(b)(6)**, be
5 irrevocably pledged by the redevelopment district for payment as set
6 forth in subsection (b)(3).

7 (e) Notwithstanding any other law, each assessor shall, upon
8 petition of the redevelopment commission, reassess the taxable
9 property situated upon or in, or added to, the allocation area, effective
10 on the next assessment date after the petition.

11 (f) Notwithstanding any other law, the assessed value of all taxable
12 property in the allocation area, for purposes of tax limitation, property
13 tax replacement, and formulation of the budget, tax rate, and tax levy
14 for each political subdivision in which the property is located is the
15 lesser of:

16 (1) the assessed value of the property as valued without regard to
17 this section; or

18 (2) the base assessed value.

19 (g) If any part of the allocation area is located in an enterprise zone
20 created under IC 5-28-15, the unit that designated the allocation area
21 shall create funds as specified in this subsection. A unit that has
22 obligations, bonds, or leases payable from allocated tax proceeds under
23 subsection (b)(3) shall establish an allocation fund for the purposes
24 specified in subsection (b)(3) and a special zone fund. Such a unit
25 shall, until the end of the enterprise zone phase out period, deposit each
26 year in the special zone fund any amount in the allocation fund derived
27 from property tax proceeds in excess of those described in subsection
28 (b)(1) and (b)(2) from property located in the enterprise zone that
29 exceeds the amount sufficient for the purposes specified in subsection
30 (b)(3) for the year. The amount sufficient for purposes specified in
31 subsection (b)(3) for the year shall be determined based on the pro rata
32 portion of such current property tax proceeds from the part of the
33 enterprise zone that is within the allocation area as compared to all
34 such current property tax proceeds derived from the allocation area. A
35 unit that has no obligations, bonds, or leases payable from allocated tax
36 proceeds under subsection (b)(3) shall establish a special zone fund
37 and deposit all the property tax proceeds in excess of those described
38 in subsection (b)(1) and (b)(2) in the fund derived from property tax
39 proceeds in excess of those described in subsection (b)(1) and (b)(2)
40 from property located in the enterprise zone. The unit that creates the
41 special zone fund shall use the fund (based on the recommendations of
42 the urban enterprise association) for programs in job training, job



enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

(1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;

(2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; ~~and~~

(3) may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan; **and**

(4) may decrease base assessed value only to the extent necessary to provide the property tax proceeds allocable to the redevelopment district that are required to pay any bonds, leases, or other obligations under subsection (b)(3) or to establish or maintain any required debt service reserve for those bonds, leases, or other obligations, in the case of adjustments made after June 30, 2014.

Assessed value increases attributable to the application of an abatement



1 schedule under IC 6-1.1-12.1 may not be included in the base assessed
 2 value of an allocation area. The department of local government
 3 finance may prescribe procedures for county and township officials to
 4 follow to assist the department in making the adjustments.

5 (i) The allocation deadline referred to in subsection (b) is
 6 determined in the following manner:

7 (1) The initial allocation deadline is December 31, 2011.

8 (2) Subject to subdivision (3), the initial allocation deadline and
 9 subsequent allocation deadlines are automatically extended in
 10 increments of five (5) years, so that allocation deadlines
 11 subsequent to the initial allocation deadline fall on December 31,
 12 2016, and December 31 of each fifth year thereafter.

13 (3) At least one (1) year before the date of an allocation deadline
 14 determined under subdivision (2), the general assembly may enact
 15 a law that:

16 (A) terminates the automatic extension of allocation deadlines
 17 under subdivision (2); and

18 (B) specifically designates a particular date as the final
 19 allocation deadline.

20 **(j) An allocation area established under this chapter (regardless**
 21 **of the date on which the allocation area was established or**
 22 **amended) expires as provided as follows:**

23 **(1) In the case of an allocation area established before July 1,**
 24 **2014, and for which no bonds or other obligations payable**
 25 **from allocated tax proceeds from the allocation area are**
 26 **outstanding on December 31, 2014, the allocation area expires**
 27 **January 1, 2015.**

28 **(2) In the case of an allocation area established before July 1,**
 29 **2014, and for which bonds or other obligations payable from**
 30 **allocated tax proceeds from the allocation area are**
 31 **outstanding on December 31, 2014, the allocation area expires**
 32 **on December 31 of the first year in which no bonds or other**
 33 **obligations that are outstanding on December 31, 2014 (or any**
 34 **bonds issued to refund these obligations) and that are payable**
 35 **from allocated tax proceeds from the allocation area are still**
 36 **outstanding.**

37 **(3) In the case of an allocation area established after June 30,**
 38 **2014, the allocation area expires as follows:**

39 **(A) If no bonds or other obligations that are payable from**
 40 **allocated tax proceeds from the allocation area are issued**
 41 **or entered into before December 31 of the year following**
 42 **the year in which the allocation area is established, the**



1 allocation area expires on January 1 of the second year
 2 following the year in which the allocation area is
 3 established.

4 (B) If bonds or other obligations that are payable from
 5 allocated tax proceeds from the allocation area are issued
 6 or entered into before December 31 of the year following
 7 the year in which the allocation area is established, the
 8 allocation area expires on the earlier of the following:

9 (i) Twenty-five (25) years after the allocation area is
 10 initially established.

11 (ii) December 31 of the first year in which no bonds or
 12 other obligations payable from allocated tax proceeds
 13 from the allocation area are still outstanding.

14 (k) Upon the expiration of an allocation area, any balance that
 15 is remaining in the allocation fund and that is not required for a
 16 purpose described in subsection (b)(3)(A) through (b)(3)(F) for the
 17 allocation area shall be transferred to the county auditor and used
 18 to provide property tax replacement credits to taxpayers in the
 19 county in the following year. The property tax credits shall be
 20 provided in the same manner as property tax credits are provided
 21 under IC 6-3.5-1.1 (regardless of whether a tax under IC 6-3.5-1.1
 22 is in effect in the county).

23 (l) This subsection applies to property taxes first due and
 24 payable after December 31, 2014. If the base assessed value of an
 25 allocation area is less than twenty-five percent (25%) of the total
 26 assessed value within the allocation area, the base assessed value
 27 shall be increased for purposes of this chapter to an amount equal
 28 to the lesser of the following:

29 (1) Twenty-five percent (25%) of the total assessed value
 30 within the allocation area.

31 (2) An amount that will provide the property tax proceeds
 32 allocable to the redevelopment district that are required to:

33 (A) pay any bonds, leases, or other obligations under
 34 subsection (b)(3); and

35 (B) establish or maintain any required debt service reserve
 36 for those bonds, leases, or other obligations.

37 SECTION 24. IC 36-7-14-39.2, AS AMENDED BY P.L.119-2012,
 38 SECTION 207, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2014]: Sec. 39.2. (a) This section applies to a
 40 county having a population of more than two hundred fifty thousand
 41 (250,000) but less than two hundred seventy thousand (270,000).

42 (b) As used in this section, "designated taxpayer" means any



1 taxpayer designated by the commission in a declaratory resolution
 2 adopted or amended under section 15 or **(before its repeal)** 17.5 of this
 3 chapter and with respect to which the commission finds that taxes to be
 4 derived from the taxpayer's depreciable personal property in the
 5 allocation area, in excess of the taxes attributable to the base assessed
 6 value of that personal property, are reasonably expected to exceed in
 7 one (1) or more future years the taxes to be derived from the taxpayer's
 8 real property in the allocation area in excess of the taxes attributable to
 9 the base assessed value of that real property.

10 (c) The allocation provision of a declaratory resolution may modify
 11 the definition of "property taxes" under section 39(a) of this chapter to
 12 include taxes imposed under IC 6-1.1 on the depreciable personal
 13 property of designated taxpayers, in accordance with the procedures
 14 and limitations set forth in this section and section 39 of this chapter.
 15 If such a modification is included in the resolution for purposes of
 16 section 39 of this chapter, the term "base assessed value" with respect
 17 to the depreciable personal property of designated taxpayers means the
 18 net assessed value of all the depreciable personal property as finally
 19 determined for the assessment date immediately preceding:

- 20 (1) the effective date of the modification, for modifications
- 21 adopted before July 1, 1995; and
- 22 (2) the adoption date of the modification for modifications
- 23 adopted after June 30, 1995;

24 as adjusted under section 39(h) of this chapter.

25 SECTION 25. IC 36-7-14-39.3, AS AMENDED BY P.L.6-2012,
 26 SECTION 244, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2014]: Sec. 39.3. (a) As used in this section,
 28 "depreciable personal property" refers to:

- 29 (1) all of the designated taxpayer's depreciable personal property
- 30 that is located in the allocation area; and
- 31 (2) all other depreciable property located and taxable on the
- 32 designated taxpayer's site of operations within the allocation area.

33 (b) As used in this section, "designated taxpayer" means any
 34 taxpayer designated by the commission in a declaratory resolution
 35 adopted or amended under section 15 or **(before its repeal)** 17.5 of this
 36 chapter, and with respect to which the commission finds that taxes to
 37 be derived from the depreciable personal property in the allocation
 38 area, in excess of the taxes attributable to the base assessed value of
 39 that personal property, are needed to pay debt service or to provide
 40 security for bonds issued under section 25.1 of this chapter or to make
 41 payments or to provide security on leases payable under section 25.2
 42 of this chapter in order to provide local public improvements for a



particular allocation area. However, a commission may not designate a taxpayer after June 30, 1992, unless the commission also finds that:

(1) the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing, distribution, or transportation related projects or regulated amusement devices (as defined in IC 22-12-1-19.1) and related improvements; and

(2) the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects, other than an amusement park or tourism industry project.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 39(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of the designated taxpayers in accordance with the procedures and limitations set forth in this section and section 39 of this chapter. If such a modification is included in the resolution, for purposes of section 39 of this chapter the term "base assessed value" with respect to the depreciable personal property means the net assessed value of all the depreciable personal property as finally determined for the assessment date immediately preceding:

(1) the effective date of the modification, for modifications adopted before July 1, 1995; and

(2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section 39(h) of this chapter.

(d) A declaratory resolution of a city redevelopment commission that is adopted before March 20, 1990, is legalized and validated as if it had been adopted under this section.

(e) An action taken by a redevelopment commission before February 24, 1992, to designate a taxpayer, modify the definition of property taxes, or establish a base assessed value as described in this section, as in effect on February 24, 1992, is legalized and validated as if this section, as in effect on February 24, 1992, had been in effect on the date of the action.

(f) The amendment made to this section by P.L.41-1992, does not affect actions taken pursuant to P.L.35-1990.

(g) A declaratory resolution or an amendment to a declaratory resolution that was adopted by:

(1) a county redevelopment commission for a county; or

(2) a city redevelopment commission for a city;

before February 26, 1992, is legalized and validated as if the



1 declaratory resolution or amendment had been adopted under this
2 section as amended by P.L.147-1992.

3 SECTION 26. IC 36-7-14-43, AS AMENDED BY P.L.146-2008,
4 SECTION 740, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2014]: Sec. 43. (a) All of the rights, powers,
6 privileges, and immunities that may be exercised by the commission in
7 a redevelopment project area or urban renewal area may be exercised
8 by the commission in an economic development area, subject to the
9 following:

10 (1) The content and manner of exercise of these rights, powers,
11 privileges, and immunities shall be determined by the purposes
12 and nature of an economic development area. **A right, power,**
13 **privilege, or immunity that pertains to issuing bonds or**
14 **incurring an obligation may not be exercised by a**
15 **redemption commission unless it is first specifically**
16 **authorized by the legislative body or fiscal body of the unit,**
17 **whichever applies, regardless of any other law.**

18 (2) Real property (or interests in real property) relative to which
19 action is taken in an economic development area is not required
20 to meet the conditions described in IC 36-7-1-3.

21 (3) The special tax levied in accordance with section 27 of this
22 chapter may be used to carry out activities under this chapter in
23 economic development areas.

24 (4) Bonds may be issued in accordance with section 25.1 of this
25 chapter to defray expenses of carrying out activities under this
26 chapter in economic development areas if no other revenue
27 sources are available for this purpose.

28 (5) The tax exemptions set forth in section 37 of this chapter are
29 applicable in economic development areas.

30 (6) An economic development area may be an allocation area for
31 the purposes of distribution and allocation of property taxes.

32 ~~(7) The commission may not use its power of eminent domain~~
33 ~~under section 20 of this chapter to carry out activities under this~~
34 ~~chapter in an economic development area.~~

35 (b) The content and manner of discharge of duties set forth in
36 section 11 of this chapter shall be determined by the purposes and
37 nature of an economic development area.

38 SECTION 27. IC 36-7-14-45, AS ADDED BY P.L.154-2006,
39 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2014]: Sec. 45. (a) The commission may establish a program
41 for housing by resolution. The program, which may include any
42 relevant elements the commission considers appropriate, may be



1 adopted as part of a redevelopment plan, ~~or amendment to a~~
 2 ~~redemption plan~~, and must establish an allocation area for purposes
 3 of sections 39 and 48 of this chapter for the accomplishment of the
 4 program. The program must be approved by the municipal legislative
 5 body or county executive as specified in section 17 of this chapter.

6 (b) The notice and hearing provisions of ~~sections~~ **section 17 and**
 7 ~~47.5~~ of this chapter, including notice under section 17(c) of this chapter
 8 to a taxing unit that is wholly or partly located within an allocation
 9 area, apply to the resolution adopted under subsection (a). Judicial
 10 review of the resolution may be made under section 18 of this chapter.

11 (c) Before formal submission of any housing program to the
 12 commission, the department of redevelopment:

13 (1) shall consult with persons interested in or affected by the
 14 proposed program;

15 (2) shall provide the affected neighborhood associations,
 16 residents, and township assessors with an adequate opportunity to
 17 participate in an advisory role in planning, implementing, and
 18 evaluating the proposed program; and

19 (3) shall hold public meetings in the affected neighborhood to
 20 obtain the views of neighborhood associations and residents.

21 SECTION 28. IC 36-7-14-46, AS ADDED BY P.L.154-2006,
 22 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2014]: Sec. 46. ~~(a) Except as provided in subsection (b);~~ All
 24 the rights, powers, privileges, and immunities that may be exercised by
 25 the commission in blighted, deteriorated, or deteriorating areas may be
 26 exercised by the commission in implementing its program for housing,
 27 including the following:

28 (1) The special tax levied in accordance with section 27 of this
 29 chapter may be used to accomplish the housing program.

30 (2) Bonds may be issued under this chapter to accomplish the
 31 housing program, but only one (1) issue of bonds may be issued
 32 and payable from increments in any allocation area except for
 33 refunding bonds or bonds issued in an amount necessary to
 34 complete a housing program for which bonds were previously
 35 issued.

36 (3) Leases may be entered into under this chapter to accomplish
 37 the housing program.

38 (4) The tax exemptions set forth in section 37 of this chapter are
 39 applicable.

40 (5) Property taxes may be allocated under section 39 of this
 41 chapter.

42 ~~(b) A commission may not exercise the power of eminent domain~~



1 ~~in implementing its program for housing.~~

2 SECTION 29. IC 36-7-14-48, AS AMENDED BY P.L.203-2011,
3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2014]: Sec. 48. (a) Notwithstanding section 39(a) of this
5 chapter, with respect to the allocation and distribution of property taxes
6 for the accomplishment of a program adopted under section 45 of this
7 chapter, "base assessed value" means the net assessed value of all of
8 the property, other than personal property, as finally determined for the
9 assessment date immediately preceding the effective date of the
10 allocation provision, as adjusted under section 39(h) of this chapter.

11 (b) The allocation fund established under section 39(b) of this
12 chapter for the allocation area for a program adopted under section 45
13 of this chapter may be used only for purposes related to the
14 accomplishment of the program, including the following:

15 (1) The construction, rehabilitation, or repair of residential units
16 within the allocation area.

17 (2) The construction, reconstruction, or repair of any
18 infrastructure (including streets, sidewalks, and sewers) within or
19 serving the allocation area.

20 (3) The acquisition of real property and interests in real property
21 within the allocation area.

22 (4) The demolition of real property within the allocation area.

23 (5) The provision of financial assistance to enable individuals and
24 families to purchase or lease residential units within the allocation
25 area. However, financial assistance may be provided only to those
26 individuals and families whose income is at or below the county's
27 median income for individuals and families, respectively.

28 (6) The provision of financial assistance to neighborhood
29 development corporations to permit them to provide financial
30 assistance for the purposes described in subdivision (5).

31 (7) For property taxes first due and payable before January 1,
32 2009, providing each taxpayer in the allocation area a credit for
33 property tax replacement as determined under subsections (c) and
34 (d). However, the commission may provide this credit only if the
35 municipal legislative body (in the case of a redevelopment
36 commission established by a municipality) or the county
37 executive (in the case of a redevelopment commission established
38 by a county) establishes the credit by ordinance adopted in the
39 year before the year in which the credit is provided.

40 (c) The maximum credit that may be provided under subsection
41 (b)(7) to a taxpayer in a taxing district that contains all or part of an
42 allocation area established for a program adopted under section 45 of



1 this chapter shall be determined as follows:

2 STEP ONE: Determine that part of the sum of the amounts
3 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
4 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
5 attributable to the taxing district.

6 STEP TWO: Divide:

7 (A) that part of each county's eligible property tax replacement
8 amount (as defined in IC 6-1.1-21-2) (before its repeal) for
9 that year as determined under IC 6-1.1-21-4(a)(1) (before its
10 repeal) that is attributable to the taxing district; by

11 (B) the amount determined under STEP ONE.

12 STEP THREE: Multiply:

13 (A) the STEP TWO quotient; by

14 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before
15 its repeal) levied in the taxing district allocated to the
16 allocation fund, including the amount that would have been
17 allocated but for the credit.

18 (d) The commission may determine to grant to taxpayers in an
19 allocation area from its allocation fund a credit under this section, as
20 calculated under subsection (c). Except as provided in subsection (g),
21 one-half (1/2) of the credit shall be applied to each installment of taxes
22 (as defined in IC 6-1.1-21-2) (before its repeal) that under
23 IC 6-1.1-22-9 are due and payable in a year. The commission must
24 provide for the credit annually by a resolution and must find in the
25 resolution the following:

26 (1) That the money to be collected and deposited in the allocation
27 fund, based upon historical collection rates, after granting the
28 credit will equal the amounts payable for contractual obligations
29 from the fund, plus ten percent (10%) of those amounts.

30 (2) If bonds payable from the fund are outstanding, that there is
31 a debt service reserve for the bonds that at least equals the amount
32 of the credit to be granted.

33 (3) If bonds of a lessor under section 25.2 of this chapter or under
34 IC 36-1-10 are outstanding and if lease rentals are payable from
35 the fund, that there is a debt service reserve for those bonds that
36 at least equals the amount of the credit to be granted.

37 If the tax increment is insufficient to grant the credit in full, the
38 commission may grant the credit in part, prorated among all taxpayers.

39 (e) Notwithstanding section 39(b) of this chapter, the allocation
40 fund established under section 39(b) of this chapter for the allocation
41 area for a program adopted under section 45 of this chapter may only
42 be used to do one (1) or more of the following:



(1) Accomplish one (1) or more of the actions set forth in section 39(b)(3)(A) through 39(b)(3)(H) and ~~39(b)(3)(I)~~ **39(b)(3)(I)** of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 39(b)(2);

(B) make, when due, principal and interest payments on bonds described in section 39(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 39(b)(3) of this chapter; and

(D) reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(g) This subsection applies to an allocation area only to the extent



that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-12-37) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

SECTION 30. IC 36-7-14-49, AS ADDED BY P.L.7-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 49. (a) A commission may adopt a resolution to establish a program for age-restricted housing. The program:

- (1) must be limited to age-restricted housing that satisfies the requirements of 42 U.S.C. 3607 (the federal Housing for Older Persons Act);
- (2) may include any relevant elements the commission considers appropriate;
- (3) may be adopted as part of a redevelopment plan; ~~or an amendment to a redevelopment plan;~~ and
- (4) may establish an allocation area for purposes of sections 39 and 50 of this chapter for the accomplishment of the program.

The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.

(b) The notice and hearing provisions of ~~sections~~ **section 17 and 47.5** of this chapter, including notice under section 17(c) of this chapter to a taxing unit that is wholly or partly located within an allocation area, apply to the resolution adopted under subsection (a). Judicial review of the resolution may be made under section 18 of this chapter.

(c) Before formal submission of any age-restricted housing program to the commission, the department of redevelopment:

- (1) shall consult with persons interested in or affected by the proposed program; and
- (2) shall hold public meetings in the areas to be affected by the proposed program to obtain the views of affected persons.

SECTION 31. IC 36-7-14-50, AS ADDED BY P.L.7-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 50. ~~(a) Except as provided in subsection (b);~~ All the rights, powers, privileges, and immunities that may be exercised by a commission in blighted, deteriorated, or deteriorating areas may be exercised by a commission in implementing its program for



age-restricted housing, including the following:

(1) The special tax levied in accordance with section 27 of this chapter may be used to accomplish the purposes of the age-restricted housing program.

(2) Bonds may be issued under this chapter to accomplish the purposes of the age-restricted housing program, but only one (1) issue of bonds may be issued and payable from increments in any allocation area established under section ~~51~~ 49 of this chapter, except for refunding bonds or bonds issued in an amount necessary to complete an age-restricted housing program for which bonds were previously issued.

(3) Leases may be entered into under this chapter to accomplish the purposes of the age-restricted housing program.

(4) The tax exemptions set forth in section 37 of this chapter are applicable.

(5) Property taxes may be allocated under section 39 of this chapter.

~~(b) A commission may not exercise the power of eminent domain in implementing its age-restricted housing program:~~

SECTION 32. IC 36-7-14.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) A _____ Redevelopment Authority (the blank to be filled in with a name designated by the legislative body of the unit) may be created in the unit as a separate body corporate and politic and as an instrumentality of the unit to exercise any power granted to the authority under this chapter.

(b) An authority may be created by ordinance of the legislative body of the unit.

(c) An authority is subject to the same laws, rules, and ordinances that apply to all other authorities and departments of the unit. An authority is:

(1) subject to audit by the state board of accounts under IC 5-11;

(2) covered by IC 5-14-1.5 (the public meetings law); and

(3) covered by IC 5-14-3 (the public records law).

SECTION 33. IC 36-7-14.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) Immediately after January 15 of each year, the board shall hold an organizational meeting. It shall elect one (1) of the members president, another vice president, and another secretary-treasurer to perform the duties of those offices. These officers serve from the date of their election and until their successors are elected and qualified. The board may elect an



1 assistant secretary-treasurer. **The secretary-treasurer shall report**
 2 **quarterly to the fiscal officer of the unit that established the**
 3 **redevelopment authority.**

4 (b) Special meetings may be called by the president of the board or
 5 any two (2) members of the board.

6 (c) A majority of the members constitutes a quorum, and the
 7 concurrence of a majority of the members is necessary to authorize any
 8 action.

9 SECTION 34. IC 36-7-14.5-12.5, AS AMENDED BY
 10 P.L.203-2011, SECTION 11, IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12.5. (a) This section
 12 applies only to an authority in a county having a United States
 13 government military base that is scheduled for closing or is completely
 14 or partially inactive or closed.

15 (b) In order to accomplish the purposes set forth in section 11 of this
 16 chapter, an authority may create an economic development area:

17 (1) by following the procedures set forth in IC 36-7-14-41 for the
 18 establishment of an economic development area by a
 19 redevelopment commission; and

20 (2) with the same effect as if the economic development area was
 21 created by a redevelopment commission.

22 The area established under this section shall be established only in the
 23 area where a United States government military base that is scheduled
 24 for closing or is completely or partially inactive or closed is or was
 25 located.

26 (c) In order to accomplish the purposes set forth in section 11 of this
 27 chapter, an authority may do the following in a manner that serves an
 28 economic development area created under this section:

29 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 30 lease, or any combination of methods, any personal property or
 31 interest in real property needed for the redevelopment of
 32 economic development areas located within the corporate
 33 boundaries of the unit.

34 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 35 other instrument), exchange, lease, rent, or otherwise dispose of
 36 property acquired for use in the redevelopment of economic
 37 development areas on the terms and conditions that the authority
 38 considers best for the unit and the unit's inhabitants.

39 (3) Sell, lease, or grant interests in all or part of the real property
 40 acquired for redevelopment purposes to any other department of
 41 the unit or to any other governmental agency for public ways,
 42 levees, sewerage, parks, playgrounds, schools, and other public



purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Repair and maintain structures acquired for redevelopment purposes.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).



(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in ~~IC 36-7-14-12.2(c)~~; **IC 36-7-14-12.2(b)**).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11 of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development



that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(3), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

- (1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.
- (2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).
- (3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.
- (4) Reimburse any other governmental body for expenditures made by it that benefits or provides for local public improvements or structures in or serving or benefiting that allocation area.
- (5) Pay expenses incurred by the authority that benefit or provide for local public improvements or structures that are in the allocation area or serving or benefiting the allocation area.
- (6) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:
 - (A) in the allocation area; and
 - (B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in clause (B). The reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment



- 1 financing are made.
- 2 (e) In addition to other methods of raising money for property
- 3 acquisition, redevelopment, or economic development activities in or
- 4 directly serving or benefiting an economic development area created
- 5 by an authority under this section, and in anticipation of the taxes
- 6 allocated under subsection (d), other revenues of the authority, or any
- 7 combination of these sources, the authority may, by resolution, issue
- 8 the bonds of the special taxing district in the name of the unit. Bonds
- 9 issued under this section may be issued in any amount without
- 10 limitation. The following apply if such a resolution is adopted:
- 11 (1) The authority shall certify a copy of the resolution authorizing
- 12 the bonds to the municipal or county fiscal officer, who shall then
- 13 prepare the bonds. The seal of the unit must be impressed on the
- 14 bonds, or a facsimile of the seal must be printed on the bonds.
- 15 (2) The bonds must be executed by the appropriate officer of the
- 16 unit and attested by the unit's fiscal officer.
- 17 (3) The bonds are exempt from taxation for all purposes.
- 18 (4) Bonds issued under this section may be sold at public sale in
- 19 accordance with IC 5-1-11 or at a negotiated sale.
- 20 (5) The bonds are not a corporate obligation of the unit but are an
- 21 indebtedness of the taxing district. The bonds and interest are
- 22 payable, as set forth in the bond resolution of the authority:
- 23 (A) from the tax proceeds allocated under subsection (d);
- 24 (B) from other revenues available to the authority; or
- 25 (C) from a combination of the methods stated in clauses (A)
- 26 and (B).
- 27 (6) Proceeds from the sale of bonds may be used to pay the cost
- 28 of interest on the bonds for a period not to exceed five (5) years
- 29 from the date of issuance.
- 30 (7) Laws relating to the filing of petitions requesting the issuance
- 31 of bonds and the right of taxpayers and voters to remonstrate
- 32 against the issuance of bonds do not apply to bonds issued under
- 33 this section.
- 34 (8) If a debt service reserve is created from the proceeds of bonds,
- 35 the debt service reserve may be used to pay principal and interest
- 36 on the bonds as provided in the bond resolution.
- 37 (9) If bonds are issued under this chapter that are payable solely
- 38 or in part from revenues to the authority from a project or
- 39 projects, the authority may adopt a resolution or trust indenture or
- 40 enter into covenants as is customary in the issuance of revenue
- 41 bonds. The resolution or trust indenture may pledge or assign the
- 42 revenues from the project or projects. The resolution or trust



indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11 of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than eleven (11) members, who must be residents of or be employed at a place of employment located within the unit. The members shall be appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 35. IC 36-7-14.5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) Bonds issued under IC 36-7-14 may be refunded as provided in this section.

(b) **Subject to the prior approval of the fiscal body of the unit under IC 36-7-14-25.2**, the commission may:

(1) lease all or a portion of a local public improvement or



improvements to the authority, which may be at a nominal lease rental with a lease back to the commission, conditioned upon the authority assuming bonds issued under IC 36-7-14 and issuing its bonds to refund those bonds; and

(2) sell all or a portion of a local public improvement or improvements to the authority for a price sufficient to provide for the refunding of those bonds and lease back the local public improvement or improvements from the authority.

SECTION 36. IC 36-7-14.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) Before a lease may be entered into, the commission must:

(1) find that the lease rental provided for is fair and reasonable; **and**

(2) obtain the prior approval of the fiscal body of the unit under IC 36-7-14-25.2.

(b) A lease of local public improvements from the authority to the commission:

(1) must comply with IC 36-7-14-25.2 or IC 36-7-30-20;

(2) may not require payment of lease rental for a newly constructed local public improvement or for improvements to an existing local public improvement except to the extent that the local public improvement or improvements thereto have been completed and are ready for occupancy or use;

(3) may contain provisions:

(A) allowing the commission to continue to operate an existing local public improvement until completion of the improvements, reconstruction, or renovation; and

(B) requiring payment of lease rentals for an existing local public improvement being used, reconstructed, or renovated;

(4) may contain an option to renew the lease for the same or shorter term on the conditions provided in the lease;

(5) must contain an option for the commission to purchase the local public improvement upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the local public improvement, including indebtedness incurred for the refunding of that indebtedness;

(6) may be entered into before acquisition or construction of a local public improvement;

(7) may provide that the commission shall agree to:

(A) pay all taxes and assessments thereon;

(B) maintain insurance thereon for the benefit of the authority;



1 and
 2 (C) assume responsibility for utilities, repairs, alterations, and
 3 any costs of operation; and
 4 (8) may provide that the lease rental payments by the commission
 5 shall be made from any one (1) or more of the sources set forth in
 6 IC 36-7-14-25.2 or IC 36-7-30-20.

7 SECTION 37. IC 36-7-14.5-18 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 18. (a) The commission
 9 may lease for a nominal lease rental, or sell to the authority, one (1) or
 10 more local public improvements or portions thereof or land upon which
 11 a local public improvement is located or is to be constructed.

12 (b) Any lease of all or a portion of a local public improvement by
 13 the commission to the authority must be for a term equal to the term of
 14 the lease of that local public improvement back to the redevelopment
 15 commission.

16 (c) **Subject to the prior approval of the fiscal body of the unit**
 17 **under IC 36-7-14-25.2**, the commission may sell property to the
 18 authority for such amount as ~~it~~ **the commission** determines to be in the
 19 best interest of the commission, which amount may be paid from the
 20 proceeds of bonds of the authority.

21 SECTION 38. IC 36-7-14.5-19 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) **Subject to the**
 23 **prior approval of the fiscal body of the unit under IC 36-7-14-25.1**,
 24 the authority may issue bonds for the purpose of obtaining money to
 25 pay the cost of:

26 (1) acquiring property;
 27 (2) constructing, improving, reconstructing, or renovating one (1)
 28 or more local public improvements; or
 29 (3) funding or refunding bonds issued under this chapter or
 30 IC 36-7-14.

31 (b) The bonds are payable solely from the lease rentals from the
 32 lease of the local public improvement for which the bonds were issued,
 33 insurance proceeds, and any other funds pledged or available.

34 (c) The bonds shall be authorized by a resolution of the board.

35 (d) The terms and form of the bonds shall either be set out in the
 36 resolution or in a form of trust indenture approved by the resolution.

37 (e) The bonds shall mature within fifty (50) years.

38 (f) The board shall sell the bonds at public or private sale upon such
 39 terms as determined by the board.

40 (g) All money received from any bonds issued under this chapter
 41 shall be applied solely to the payment of the cost of the acquisition or
 42 construction, or both, of local public improvements, or the cost of



1 refunding or refinancing outstanding bonds, for which the bonds are
2 issued. The cost may include:

- 3 (1) planning and development of the local public improvements
- 4 and all related buildings, facilities, structures, and improvements;
- 5 (2) acquisition of a site and clearing and preparing the site for
- 6 construction;
- 7 (3) equipment, facilities, structures, and improvements that are
- 8 necessary or desirable to make the local public improvements that
- 9 are necessary or desirable to make the local public improvements
- 10 suitable for use and operations;
- 11 (4) architectural, engineering, consultant, and attorney fees;
- 12 (5) incidental expenses in connection with the issuance and sale
- 13 of bonds;
- 14 (6) reserves for principal and interest;
- 15 (7) interest during construction and for a period thereafter
- 16 determined by the board, but in no event to exceed five (5) years;
- 17 (8) financial advisory fees;
- 18 (9) insurance during construction;
- 19 (10) municipal bond insurance, debt service reserve insurance,
- 20 letters of credit, or other credit enhancement; and
- 21 (11) in the case of refunding or refinancing, payment of the
- 22 principal of, redemption premiums, if any, and interest on, the
- 23 bonds being refunded or refinanced.

24 SECTION 39. IC 36-7-14.5-21 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 21. (a) The authority
26 may secure bonds issued under this chapter by a trust indenture
27 between the authority and a corporate trustee, which may be any trust
28 company or national or state bank within Indiana that has trust powers.

29 (b) **Before a trust indenture may be entered into, the authority**
30 **must obtain the prior approval of the fiscal body of the unit under**
31 **IC 36-7-14-25.2.** The trust indenture may:

- 32 (1) pledge or assign lease rentals, receipts, and income from
- 33 leased local public improvements, but may not mortgage land or
- 34 local public improvements;
- 35 (2) contain reasonable and proper provisions for protecting and
- 36 enforcing the rights and remedies of the bondholders, including
- 37 covenants setting forth the duties of the authority and board;
- 38 (3) set forth the rights and remedies of bondholders and trustee;
- 39 and
- 40 (4) restrict the individual right of action of bondholders.

41 (c) Any pledge or assignment made by the authority under this
42 section **and approved by the fiscal body of the unit** is valid and



1 binding in accordance with IC 5-1-14-4 from the time that the pledge
 2 or assignment is made, against all persons whether they have notice of
 3 the lien or not. Any trust indenture by which a pledge is created or an
 4 assignment need not be filed or recorded. The lien is perfected against
 5 third parties in accordance with IC 5-1-14-4.

6 SECTION 40. IC 36-7-14.5-22 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. If the commission
 8 exercises its option to purchase leased property, it may, **subject to the**
 9 **prior approval of the fiscal body of the unit under IC 36-7-14-25.1,**
 10 issue its bonds as authorized by statute.

11 SECTION 41. IC 36-7-15.1-3.5 IS ADDED TO THE INDIANA
 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2014]: **Sec. 3.5. (a) The controller of the**
 14 **consolidated city is the fiscal officer of a commission subject to this**
 15 **chapter.**

16 **(b) The controller may obtain financial services on a contractual**
 17 **basis for purposes of carrying out the powers and duties of the**
 18 **commission and protecting the public interests related to the**
 19 **operations and funding of the commission. The controller has**
 20 **charge over and is responsible for the administration, investment,**
 21 **and disbursement of all funds and accounts of the authority in**
 22 **accordance with the requirements of state law that apply to other**
 23 **funds and accounts administered by the controller.**

24 SECTION 42. IC 36-7-15.1-12, AS AMENDED BY P.L.185-2005,
 25 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2014]: Sec. 12. (a) If no appeal is taken, or if an appeal is
 27 taken but is unsuccessful, the commission shall proceed with the
 28 proposed project, to the extent that money is available for that purpose.

29 (b) The commission shall first approve and adopt a list of the real
 30 property and interests in real property to be acquired, and the price to
 31 be offered to the owner of each parcel or interests. The prices to be
 32 offered may not exceed the average of two (2) independent appraisals
 33 of fair market value procured by the commission, except that appraisals
 34 are not required in transactions with other governmental agencies.
 35 However, if the real property is less than five (5) acres in size and the
 36 fair market value of the real property or interest has been appraised by
 37 one (1) independent appraiser at less than ten thousand dollars
 38 (\$10,000), the second appraisal may be made by a qualified employee
 39 of the department. The prices indicated on the list may not be exceeded
 40 unless specifically authorized by the commission under section 7 of
 41 this chapter or ordered by a court in condemnation proceedings. The
 42 commission may except from acquisition any real property in the area



1 if it finds that such an acquisition is not necessary under the
 2 redevelopment plan. Appraisals made under this section are for the
 3 information of the commission and are not open for public inspection.

4 (c) Negotiations for the purchase of property may be carried on
 5 directly by the commission, by its employees, or by expert negotiators
 6 employed for that purpose. The commission shall adopt a standard
 7 form of option for use in negotiations, but no option, contract, or
 8 understanding relative to the purchase of real property is binding on the
 9 commission until approved and accepted by the commission in writing.
 10 The commission may authorize the payment of a nominal fee to bind
 11 an option, and as a part of the consideration for conveyance may agree
 12 to pay the expense incident to the conveyance and determination of the
 13 title of the property. Payment for the property purchased shall be made
 14 when and as directed by the commission, but only on delivery of proper
 15 instruments conveying the title or interest of the owner to "City of
 16 _____ for the use and benefit of its Department of Metropolitan
 17 Development". **Notwithstanding the other provisions of this**
 18 **subsection, any agreement by the commission to make payments**
 19 **for the property purchased over a term exceeding five (5) years is**
 20 **subject to the prior approval of the fiscal body of the unit.**

21 (d) Notwithstanding subsections (a) through (c), the commission
 22 may, before the time referred to in this section, accept gifts of property
 23 needed for the redevelopment of redevelopment project areas. The
 24 commission may, before the time referred to in this section, take
 25 options on or contract for the acquisition of property needed for the
 26 redevelopment of redevelopment project areas if the options and
 27 contracts are not binding on the commission or the redevelopment
 28 district until the time referred to in this section and until money is
 29 available to pay the consideration set out in the options or contracts.

30 (e) Section 15(a) through 15(h) of this chapter does not apply to
 31 exchanges of real property (or interests in real property) in connection
 32 with the acquisition of real property (or interests in real property) under
 33 this section. In acquiring real property (or interests in real property)
 34 under this section the commission may, as an alternative to offering
 35 payment of money as specified in subsection (b), offer for the real
 36 property (or interest in real property) that the commission desires to
 37 acquire:

- 38 (1) exchange of real property or interests in real property owned
- 39 by the redevelopment district;
- 40 (2) exchange of real property or interests in real property owned
- 41 by the redevelopment district, along with the payment of money
- 42 by the commission; or



(3) exchange of real property or interests in real property owned by the redevelopment district along with the payment of money by the owner of the real property or interests in real property that the commission desires to acquire.

The commission shall have the fair market value of the real property or interests in real property owned by the redevelopment district appraised as specified in section 15(b) of this chapter. The appraisers may not also appraise the value of the real property or interests in real property to be acquired by the redevelopment district. The commission shall establish the nature of the offer to the owner based on the difference between the average of the two (2) appraisals of the fair market value of the real property or interests in real property to be acquired by the commission and the average of the appraisals of fair market value of the real property or interests in real property to be exchanged by the commission.

SECTION 43. IC 36-7-15.1-26, AS AMENDED BY P.L. 112-2012, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus



(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.



(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid



1 into the funds of the taxing unit for which the referendum or local
2 public question was conducted.

3 (3) Except as otherwise provided in this section, property tax
4 proceeds in excess of those described in subdivisions (1) and (2)
5 shall be allocated to the redevelopment district and, when
6 collected, paid into a special fund for that allocation area that may
7 be used by the redevelopment district only to do one (1) or more
8 of the following:

9 (A) Pay the principal of and interest on any obligations
10 payable solely from allocated tax proceeds that are incurred by
11 the redevelopment district for the purpose of financing or
12 refinancing the redevelopment of that allocation area.

13 (B) Establish, augment, or restore the debt service reserve for
14 bonds payable solely or in part from allocated tax proceeds in
15 that allocation area.

16 (C) Pay the principal of and interest on bonds payable from
17 allocated tax proceeds in that allocation area and from the
18 special tax levied under section 19 of this chapter.

19 (D) Pay the principal of and interest on bonds issued by the
20 consolidated city to pay for local public improvements that are
21 physically located in or physically connected to that allocation
22 area.

23 (E) Pay premiums on the redemption before maturity of bonds
24 payable solely or in part from allocated tax proceeds in that
25 allocation area.

26 (F) Make payments on leases payable from allocated tax
27 proceeds in that allocation area under section 17.1 of this
28 chapter.

29 (G) Reimburse the consolidated city for expenditures for local
30 public improvements (which include buildings, parking
31 facilities, and other items set forth in section 17 of this
32 chapter) that are physically located in or physically connected
33 to that allocation area.

34 (H) Reimburse the unit for rentals paid by it for a building or
35 parking facility that is physically located in or physically
36 connected to that allocation area under any lease entered into
37 under IC 36-1-10.

38 (I) Reimburse public and private entities for expenses incurred
39 in training employees of industrial facilities that are located:

40 (i) in the allocation area; and

41 (ii) on a parcel of real property that has been classified as
42 industrial property under the rules of the department of local



- 1 government finance.
- 2 However, the total amount of money spent for this purpose in
- 3 any year may not exceed the total amount of money in the
- 4 allocation fund that is attributable to property taxes paid by the
- 5 industrial facilities described in this clause. The
- 6 reimbursements under this clause must be made within three
- 7 (3) years after the date on which the investments that are the
- 8 basis for the increment financing are made.
- 9 (J) Pay the costs of carrying out an eligible efficiency project
- 10 (as defined in IC 36-9-41-1.5) within the unit that established
- 11 the redevelopment commission. However, property tax
- 12 proceeds may be used under this clause to pay the costs of
- 13 carrying out an eligible efficiency project only if those
- 14 property tax proceeds exceed the amount necessary to do the
- 15 following:
- 16 (i) Make, when due, any payments required under clauses
- 17 (A) through (I), including any payments of principal and
- 18 interest on bonds and other obligations payable under this
- 19 subdivision, any payments of premiums under this
- 20 subdivision on the redemption before maturity of bonds, and
- 21 any payments on leases payable under this subdivision.
- 22 (ii) Make any reimbursements required under this
- 23 subdivision.
- 24 (iii) Pay any expenses required under this subdivision.
- 25 (iv) Establish, augment, or restore any debt service reserve
- 26 under this subdivision.
- 27 The special fund may not be used for operating expenses of the
- 28 commission.
- 29 (4) Before July 15 of each year, the commission shall do the
- 30 following:
- 31 (A) Determine the amount, if any, by which the assessed value
- 32 of the taxable property in the allocation area for the most
- 33 recent assessment date minus the base assessed value, when
- 34 multiplied by the estimated tax rate of the allocation area will
- 35 exceed the amount of assessed value needed to provide the
- 36 property taxes necessary to make, when due, principal and
- 37 interest payments on bonds described in subdivision (3) plus
- 38 the amount necessary for other purposes described in
- 39 subdivision (3) and subsection (g).
- 40 (B) Provide a written notice to the county auditor, the
- 41 legislative body of the consolidated city, and the officers who
- 42 are authorized to fix budgets, tax rates, and tax levies under



IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3).

(C) If:

(i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

(ii) the amount necessary for other purposes described in subdivision (3) and subsection (g);

the commission shall submit to the fiscal body of the unit the commission's determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The fiscal body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set



1 forth in subsection (b)(3).

2 (e) Notwithstanding any other law, each assessor shall, upon
3 petition of the commission, reassess the taxable property situated upon
4 or in, or added to, the allocation area, effective on the next assessment
5 date after the petition.

6 (f) Notwithstanding any other law, the assessed value of all taxable
7 property in the allocation area, for purposes of tax limitation, property
8 tax replacement, and formulation of the budget, tax rate, and tax levy
9 for each political subdivision in which the property is located is the
10 lesser of:

11 (1) the assessed value of the property as valued without regard to
12 this section; or

13 (2) the base assessed value.

14 (g) If any part of the allocation area is located in an enterprise zone
15 created under IC 5-28-15, the unit that designated the allocation area
16 shall create funds as specified in this subsection. A unit that has
17 obligations, bonds, or leases payable from allocated tax proceeds under
18 subsection (b)(3) shall establish an allocation fund for the purposes
19 specified in subsection (b)(3) and a special zone fund. Such a unit
20 shall, until the end of the enterprise zone phase out period, deposit each
21 year in the special zone fund the amount in the allocation fund derived
22 from property tax proceeds in excess of those described in subsection
23 (b)(1) and (b)(2) from property located in the enterprise zone that
24 exceeds the amount sufficient for the purposes specified in subsection
25 (b)(3) for the year. A unit that has no obligations, bonds, or leases
26 payable from allocated tax proceeds under subsection (b)(3) shall
27 establish a special zone fund and deposit all the property tax proceeds
28 in excess of those described in subsection (b)(1) and (b)(2) in the fund
29 derived from property tax proceeds in excess of those described in
30 subsection (b)(1) and (b)(2) from property located in the enterprise
31 zone. The unit that creates the special zone fund shall use the fund,
32 based on the recommendations of the urban enterprise association, for
33 one (1) or more of the following purposes:

34 (1) To pay for programs in job training, job enrichment, and basic
35 skill development designed to benefit residents and employers in
36 the enterprise zone. The programs must reserve at least one-half
37 (1/2) of the enrollment in any session for residents of the
38 enterprise zone.

39 (2) To make loans and grants for the purpose of stimulating
40 business activity in the enterprise zone or providing employment
41 for enterprise zone residents in the enterprise zone. These loans
42 and grants may be made to the following:



- 1 (A) Businesses operating in the enterprise zone.
- 2 (B) Businesses that will move their operations to the enterprise
- 3 zone if such a loan or grant is made.
- 4 (3) To provide funds to carry out other purposes specified in
- 5 subsection (b)(3). However, where reference is made in
- 6 subsection (b)(3) to the allocation area, the reference refers for
- 7 purposes of payments from the special zone fund only to that part
- 8 of the allocation area that is also located in the enterprise zone.
- 9 (h) The state board of accounts and department of local government
- 10 finance shall make the rules and prescribe the forms and procedures
- 11 that they consider expedient for the implementation of this chapter.
- 12 After each general reassessment of real property in an area under
- 13 IC 6-1.1-4-4 and after each reassessment under a reassessment plan
- 14 prepared under IC 6-1.1-4-4.2, the department of local government
- 15 finance shall adjust the base assessed value one (1) time to neutralize
- 16 any effect of the reassessment of the real property in the area on the
- 17 property tax proceeds allocated to the redevelopment district under this
- 18 section. After each annual adjustment under IC 6-1.1-4-4.5, the
- 19 department of local government finance shall adjust the base assessed
- 20 value to neutralize any effect of the annual adjustment on the property
- 21 tax proceeds allocated to the redevelopment district under this section.
- 22 However, the adjustments under this subsection may not include the
- 23 effect of property tax abatements under IC 6-1.1-12.1, and these
- 24 adjustments may not produce less property tax proceeds allocable to
- 25 the redevelopment district under subsection (b)(3) than would
- 26 otherwise have been received if the general reassessment, reassessment
- 27 under the reassessment plan, or annual adjustment had not occurred.
- 28 The department of local government finance may prescribe procedures
- 29 for county and township officials to follow to assist the department in
- 30 making the adjustments.
- 31 (i) The allocation deadline referred to in subsection (b) is
- 32 determined in the following manner:
- 33 (1) The initial allocation deadline is December 31, 2011.
- 34 (2) Subject to subdivision (3), the initial allocation deadline and
- 35 subsequent allocation deadlines are automatically extended in
- 36 increments of five (5) years, so that allocation deadlines
- 37 subsequent to the initial allocation deadline fall on December 31,
- 38 2016, and December 31 of each fifth year thereafter.
- 39 (3) At least one (1) year before the date of an allocation deadline
- 40 determined under subdivision (2), the general assembly may enact
- 41 a law that:
- 42 (A) terminates the automatic extension of allocation deadlines



1 under subdivision (2); and
 2 (B) specifically designates a particular date as the final
 3 allocation deadline.

4 SECTION 44. IC 36-7-30-9 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) The military base
 6 reuse authority may do the following:

- 7 (1) Acquire by purchase, exchange, gift, grant, condemnation
 8 **(subject to subsection (c))**, or lease, or any combination of
 9 methods, any personal military base property or interest in real
 10 military base property or other real or personal property located
 11 within the corporate boundaries of the unit.
- 12 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 13 other instrument), exchange, lease, rent, or otherwise dispose of
 14 real or personal military base property or other real and personal
 15 property to private enterprise or state or local government, on the
 16 terms and conditions that the reuse authority considers best for the
 17 unit and its inhabitants.
- 18 (3) Sell, lease, or grant interests in all or part of the real property
 19 acquired from a military base to any other department of the unit
 20 or to any other governmental agency for public ways, levees,
 21 sewerage, parks, playgrounds, schools, and other public purposes
 22 on any terms that may be agreed on.
- 23 (4) Clear real property acquired for the purposes of this chapter.
- 24 (5) Repair and maintain structures acquired for the purposes of
 25 this chapter.
- 26 (6) Remodel, rebuild, enlarge, or make major structural
 27 improvements on structures acquired from a military base.
- 28 (7) Survey or examine any land to determine whether it should be
 29 acquired for the purpose of this chapter and to determine the
 30 value of the land.
- 31 (8) Appear before any other department or agency of the unit or
 32 any other governmental agency in respect to any matter affecting:
 - 33 (A) real property acquired or being acquired for the purposes
 34 of this chapter; or
 - 35 (B) any reuse area within the jurisdiction of the reuse
 36 authority.
- 37 (9) Institute or defend in the name of the unit any civil action.
- 38 (10) Use any legal or equitable remedy that is necessary or
 39 considered proper to protect and enforce the rights of and perform
 40 the duties of the reuse authority.
- 41 (11) Exercise the power of eminent domain in the name of and
 42 within the corporate boundaries of the unit in the manner



- 1 prescribed by section 16 of this chapter.
- 2 (12) Appoint an executive director, appraisers, real estate experts,
- 3 engineers, architects, surveyors, attorneys, accountants, and other
- 4 consultants that are necessary or desired by the authority in
- 5 exercising its powers or carrying out its responsibilities under this
- 6 chapter.
- 7 (13) Appoint clerks, guards, laborers, and other employees the
- 8 reuse authority considers advisable. However, the appointments
- 9 must be made in accordance with the merit system of the unit if
- 10 the unit has a merit system.
- 11 (14) Prescribe the duties and regulate the compensation of
- 12 employees of the military base reuse authority.
- 13 (15) Provide a pension and retirement system for employees of
- 14 the military base reuse authority, or use the public employees'
- 15 retirement fund or a retirement plan approved by the United
- 16 States Department of Housing and Urban Development.
- 17 (16) Discharge and appoint successors to employees of the
- 18 military base reuse authority subject to subdivision (13).
- 19 (17) Rent offices for use of the reuse authority or accept the use
- 20 of offices furnished by the unit.
- 21 (18) Equip the offices of the reuse authority with the necessary
- 22 furniture, furnishings, equipment, records, and supplies.
- 23 (19) Expend on behalf of the special taxing district all or any part
- 24 of the money of the special taxing district.
- 25 (20) Design, order, contract for, and construct, reconstruct,
- 26 improve, or renovate the following:
- 27 (A) Local public improvements or structures that are necessary
- 28 for the reuse of military base property within the corporate
- 29 boundaries of the unit.
- 30 (B) Any structure that enhances the development, economic
- 31 development, or reuse of military base property.
- 32 (21) Accept loans, grants, and other forms of financial assistance
- 33 from the federal government, the state government, a municipal
- 34 corporation, a special taxing district, a foundation, or any other
- 35 source.
- 36 (22) Provide financial assistance, in the manner that best serves
- 37 the purposes of this chapter, including grants and loans, to enable
- 38 private enterprise to develop, redevelop, and reuse military base
- 39 property or otherwise enable private enterprise to provide social
- 40 and economic benefits to the citizens of the unit.
- 41 (23) Enter into contracts for providing police, fire protection, and
- 42 utility services to the military base reuse area.



(24) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the reuse authority and the execution of the power of the reuse authority under this chapter.

(25) Take any action necessary to implement the purposes of the reuse authority.

(b) All powers that may be exercised under this chapter by the reuse authority may also be exercised by the reuse authority in carrying out its duties and purposes under IC 36-7-14.5 or IC 36-7-15.3.

(c) A military base reuse authority in a county other than Marion County may not exercise the power of eminent domain after June 30, 2014.

SECTION 45. IC 36-7-30-10, AS AMENDED BY P.L.185-2005, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 10. (a) The reuse authority shall adopt a plan for the rehabilitation, development, redevelopment, and reuse of military base property to be acquired from the federal government upon the closure of a military base within the boundaries of the unit.

(b) In conjunction with the military base reuse plan, the reuse authority may adopt a resolution declaring that a geographic area is a military base reuse area and approving the plan if it makes the following findings:

(1) All or part of a military base is located in the military base reuse area.

(2) The plan for the military base reuse area will accomplish the public purposes of this chapter, supported by specific findings of fact to be adopted by the reuse authority.

(3) The public health and welfare will be benefited by accomplishment of the plan for the military base reuse area.

(4) The plan for the military base reuse area conforms to other development and redevelopment plans for the unit.

(c) A military base reuse area may include territory within the corporate boundaries of the unit and in the vicinity of the military base that is not on military base property. However, a military base reuse area may not include any area of land that constitutes part of an economic development area, a redevelopment project area, or an urban renewal area under IC 36-7-14 or IC 36-7-15.1.

(d) The resolution must state the general boundaries of the area, and that the reuse authority proposes to acquire all of the interests in the land within the boundaries, with certain designated exceptions, if there are any.

(e) For the purpose of adopting a resolution under subsection (b), it



1 is sufficient to describe the boundaries of the area by its location in
 2 relation to public ways or streams, or otherwise, as determined by the
 3 reuse authority. Property excepted from the acquisition may be
 4 described by street numbers or location.

5 **(f) In the case of a military base reuse authority in a county**
 6 **other than Marion County, a resolution adopted under this section**
 7 **after June 30, 2014, must include all the following information:**

8 **(1) A description of the specific projects that will be**
 9 **undertaken by the military base reuse authority within the**
 10 **reuse area, and a timeline specifying the beginning and ending**
 11 **dates for those projects.**

12 **(2) A description of the bonds, leases, or other obligations that**
 13 **will be issued, entered into, or incurred to finance the projects**
 14 **described in subdivision (1), and an estimate of the property**
 15 **taxes necessary to pay those bonds, leases, or obligations.**

16 SECTION 46. IC 36-7-30-11 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) After adoption
 18 of a resolution under section 10 of this chapter, the reuse authority shall
 19 submit the resolution and supporting data to the plan commission of the
 20 unit or other body charged with the duty of developing a general plan
 21 for the unit, if there is such a body. The plan commission may
 22 determine whether the resolution and the reuse plan conform to the
 23 plan of development for the unit and approve or disapprove the
 24 resolution and plan proposed. The reuse authority may amend or
 25 modify the resolution and proposed plan to conform to the
 26 requirements of the plan commission. The plan commission shall issue
 27 a written order approving or disapproving the resolution and military
 28 base reuse plan, and may with the consent of the reuse authority rescind
 29 or modify the order.

30 (b) The determination that a geographic area is a military base reuse
 31 area must be approved by:

32 **(1) the unit's legislative body; and**

33 **(2) after June 30, 2014, in the case of a military base reuse**
 34 **area in a county other than Marion County, the unit's fiscal**
 35 **body.**

36 (c) If a military base is located in an excluded city that is located in
 37 a county having a consolidated city, the determination that a
 38 geographic area is a military base reuse area must be approved by the
 39 excluded city legislative body and the consolidated city legislative
 40 body.

41 SECTION 47. IC 36-7-30-13 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) **This section**



1 **does not apply to a military base reuse authority in a county other**
 2 **than Marion County.** The reuse authority must conduct a public
 3 hearing before amending a resolution or plan for a military base reuse
 4 area. The reuse authority shall give notice of the hearing in accordance
 5 with IC 5-3-1. The notice must do the following:

- 6 (1) Set forth the substance of the proposed amendment.
- 7 (2) State the time and place where written remonstrances against
- 8 the proposed amendment may be filed.
- 9 (3) Set forth the time and place of the hearing.
- 10 (4) State that the reuse authority will hear any person who has
- 11 filed a written remonstrance during the filing period set forth in
- 12 subdivision (2).

13 (b) For the purposes of this section, the consolidation of areas is not
 14 considered the enlargement of the boundaries of an area.

15 (c) If the reuse authority proposes to amend a resolution or plan, the
 16 military base reuse authority is not required to have evidence or make
 17 findings that were required for the establishment of the original
 18 military base reuse area. However, the reuse authority must make the
 19 following findings before approving the amendment:

- 20 (1) The amendment is reasonable and appropriate when
- 21 considered in relation to the original resolution or plan and the
- 22 purposes of this chapter.
- 23 (2) The resolution or plan, with the proposed amendment,
- 24 conforms to the comprehensive plan for the unit.

25 (d) Notwithstanding subsections (a) and (c), if the resolution or plan
 26 is proposed to be amended in a way that enlarges the original
 27 boundaries of the area by more than twenty percent (20%), the reuse
 28 authority must use the procedure provided for the original
 29 establishment of areas and must comply with sections 10 through 12 of
 30 this chapter.

31 (e) At the hearing on the amendments, the reuse authority shall
 32 consider written remonstrances that are filed. The action of the reuse
 33 authority on the amendment is final and conclusive, except that an
 34 appeal of the reuse authority's action may be taken under section 14 of
 35 this chapter.

36 SECTION 48. IC 36-7-30-13.5 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2014]: **Sec. 13.5. After June 30, 2014, a**
 39 **military base reuse authority in a county other than Marion**
 40 **County may not amend a resolution or plan for a military base**
 41 **reuse area.**

42 SECTION 49. IC 36-7-30-16, AS AMENDED BY P.L.185-2005,



1 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2014]: Sec. 16. (a) **This section does not apply to a military**
 3 **base reuse authority in a county other than Marion County.** If the
 4 reuse authority considers it necessary to acquire real property in or
 5 serving a reuse area by the exercise of the power of eminent domain,
 6 it shall adopt a resolution setting out its determination to exercise that
 7 power and directing its attorney to file a petition in the name of the unit
 8 on behalf of the reuse authority, in the circuit or superior court of the
 9 county in which the property is situated. The resolution must contain
 10 a finding by the reuse authority that the property to be acquired is in an
 11 area needing redevelopment (as defined in IC 36-7-1-3). The resolution
 12 must be approved by the legislative body of the unit before the petition
 13 is filed.

14 (b) Eminent domain proceedings under this section are governed by
 15 IC 32-24 and other applicable statutory provisions for the exercise of
 16 the power of eminent domain. Property already devoted to a public use
 17 may be acquired under this section, but property belonging to the state
 18 or a political subdivision may not be acquired without the consent of
 19 the state or the political subdivision.

20 (c) The court having jurisdiction shall direct the clerk of the circuit
 21 court to execute a deed conveying the title of real property acquired
 22 under this section to the unit for the use and benefit of the reuse
 23 authority.

24 SECTION 50. IC 36-7-30-18, AS AMENDED BY P.L.219-2007,
 25 SECTION 134, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2014]: Sec. 18. (a) In addition to other methods
 27 of raising money for property acquisition, redevelopment, or economic
 28 development activities in or directly serving or benefiting a military
 29 base reuse area, and in anticipation of the taxes allocated under section
 30 25 of this chapter, other revenues of the district, or any combination of
 31 these sources, the reuse authority may by resolution issue the bonds of
 32 the special taxing district in the name of the unit. **In the case of a**
 33 **military base reuse authority in a county other than Marion**
 34 **County, the military base reuse authority may not issue bonds**
 35 **without the prior approval of the fiscal body of the county or**
 36 **municipality that established the military base reuse authority.**

37 (b) The reuse authority shall certify a copy of the resolution
 38 authorizing the bonds to the municipal or county fiscal officer, who
 39 shall then prepare the bonds. The seal of the unit must be impressed on
 40 the bonds or a facsimile of the seal must be printed on the bonds.

41 (c) The bonds must be executed by the appropriate officer of the
 42 unit, and attested by the unit's fiscal officer.



(d) The bonds are exempt from taxation for all purposes.

(e) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(f) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the reuse authority, from any of the following:

(1) The tax proceeds allocated under section 25 of this chapter.

(2) Other revenues available to the reuse authority.

(3) A combination of the methods stated in subdivisions (1) through (2).

If the bonds are payable solely from the tax proceeds allocated under section 25 of this chapter, other revenues of the reuse authority, or any combination of these sources, the bonds may be issued in any amount without limitation.

(g) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years after the date of issuance.

(h) All laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds do not apply to bonds issued under this chapter.

(i) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(j) If bonds are issued under this chapter that are payable solely or in part from revenues of the reuse authority, the reuse authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign revenues of the reuse authority and properties becoming available to the reuse authority under this chapter. The resolution or trust indenture may also contain provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including a covenant setting forth the duties of the reuse authority. The reuse authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set the fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Revenue bonds issued by the reuse authority that are payable solely from revenues of the reuse authority shall contain a statement to that effect in the form of the bond.

SECTION 51. IC 36-7-30-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) A reuse



1 authority may enter into a lease of any property that could be financed
 2 with the proceeds of bonds issued under this chapter with a lessor for
 3 a term not to exceed fifty (50) years and the lease may provide for
 4 payments to be made by the reuse authority from taxes allocated under
 5 section 25 of this chapter, any other revenues available to the reuse
 6 authority, or any combination of these sources. **In the case of a**
 7 **military base reuse authority in a county other than Marion**
 8 **County, the military base reuse authority may not enter into a**
 9 **lease under this section without the prior approval of the fiscal**
 10 **body of the county or municipality that established the military**
 11 **base reuse authority.**

12 (b) A lease may provide that payments by the reuse authority to the
 13 lessor are required only to the extent and only for the period that the
 14 lessor is able to provide the leased facilities in accordance with the
 15 lease. The terms of each lease must be based upon the value of the
 16 facilities leased and may not create a debt of the unit or the district for
 17 purposes of the Constitution of the State of Indiana.

18 (c) A lease may be entered into by the reuse authority only after a
 19 public hearing by the reuse authority at which all interested parties are
 20 provided the opportunity to be heard. After the public hearing, the
 21 reuse authority may adopt a resolution authorizing the execution of the
 22 lease on behalf of the unit if the reuse authority finds that the service
 23 to be provided throughout the term of the lease will serve the public
 24 purpose of the unit and is in the best interests of its residents. Any lease
 25 approved by a resolution of the reuse authority must be approved by the
 26 fiscal body of the unit.

27 (d) A reuse authority entering into a lease payable from allocated
 28 taxes under section 25 of this chapter or other available funds of the
 29 reuse authority may do the following:

30 (1) Pledge the revenue to make payments under the lease under
 31 IC 5-1-14-4.

32 (2) Establish a special fund to make the payments.

33 (e) Lease payments may be limited to money in the special fund so
 34 that the obligations of the reuse authority to make the lease rental
 35 payments are not considered a debt of the unit or the district for
 36 purposes of the Constitution of the State of Indiana.

37 (f) Except as provided in this section, approvals of any
 38 governmental body or agency are not required before the reuse
 39 authority may enter into a lease under this section.

40 (g) If a reuse authority exercises an option to buy a leased facility
 41 from a lessor, the reuse authority may subsequently sell the leased
 42 facility, without regard to any other statute, to the lessor at the end of



1 the lease term at a price set forth in the lease or at fair market value
 2 established at the time of the sale by the reuse authority through
 3 auction, appraisal, or negotiation. If the facility is sold at auction, after
 4 appraisal or through negotiation, the reuse authority shall conduct a
 5 hearing after public notice in accordance with IC 5-3-1 before the sale.
 6 Any action to contest the sale must be brought not more than fifteen
 7 (15) days after the hearing.

8 (h) Notwithstanding this section, a reuse authority may negotiate
 9 and enter into leases of property from the United States or any
 10 department or agency of the United States without complying with the
 11 requirements of this section.

12 SECTION 52. IC 36-7-30-24 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 24. (a) In order to
 14 finance activities authorized under this chapter, the reuse authority may
 15 apply for and accept advances, short term and long term loans, grants,
 16 contributions, and any other form of financial assistance from the
 17 federal government, or from any of its agencies. The reuse authority
 18 may also enter into and carry out contracts and agreements in
 19 connection with that financial assistance upon the terms and conditions
 20 that the reuse authority considers reasonable and appropriate, if those
 21 terms and conditions are not inconsistent with the purposes of this
 22 chapter. The provisions of such a contract or an agreement in regard to
 23 the handling, deposit, and application of project funds, as well as all
 24 other provisions, are valid and binding on the unit or its executive
 25 departments and officers, as well as the reuse authority,
 26 notwithstanding any other provision of this chapter.

27 (b) The reuse authority may issue and sell bonds, notes, or warrants
 28 to the federal government to evidence short term or long term loans
 29 made under this section, without notice of sale being given or a public
 30 offering being made. **In the case of a military base reuse authority**
 31 **in a county other than Marion County, the military base reuse**
 32 **authority may not issue bonds, notes, or warrants under this**
 33 **section without the prior approval of the fiscal body of the county**
 34 **or municipality that established the military base reuse authority.**

35 (c) Notwithstanding the provisions of this chapter or any other law,
 36 the bonds, notes, or warrants issued by the reuse authority under this
 37 section may:

- 38 (1) be in the amounts, form, or denomination;
- 39 (2) be either coupon or registered;
- 40 (3) carry conversion or other privileges;
- 41 (4) have a rank or priority;
- 42 (5) be of such description;



(6) be secured, subject to other provisions of this section, in such manner;

(7) bear interest at a rate or rates;

(8) be payable as to both principal and interest in a medium of payment, at time or times, which may be upon demand, and at a place or places;

(9) be subject to terms of redemption, with or without premium;

(10) contain or be subject to any covenants, conditions, and provisions; and

(11) have any other characteristics;

that the reuse authority considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the unit or taxing district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by any combination of:

(1) income funds;

(2) properties of the project becoming available to the reuse authority under this chapter; or

(3) any other legally available revenues of the reuse authority;

as the reuse authority specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation for all purposes.

(f) Bonds, notes, or warrants issued under this section must be executed by the appropriate officers of the unit and must be attested by the appropriate officers of the unit.

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the reuse authority shall certify a copy of that resolution to the officers of the unit who have duties with respect to bonds, notes, or warrants of the unit. At the proper time, the reuse authority shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the unit who have duties with respect to the sale of bonds, notes, or warrants of the unit. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if the officer had remained in office until the delivery.

(i) If at any time during the life of a loan contract or agreement



1 under this section the reuse authority can obtain loans for the purposes
 2 of this section from sources other than the federal government at
 3 interest rates not less favorable than provided in the loan contract or
 4 agreement, and if the loan contract or agreement so permits, the reuse
 5 authority may do so and may pledge the loan contract and any rights
 6 under the contract as security for the repayment of the loans obtained
 7 from other sources. A loan under this subsection may be evidenced by
 8 bonds, notes, or warrants issued and secured in the same manner as
 9 provided in this section for loans from the federal government. The
 10 bonds, notes, or warrants may be sold at either public or private sale,
 11 as the reuse authority considers appropriate.

12 (j) Money obtained from the federal government or from other
 13 sources under this section, and money that is required by a contract or
 14 an agreement under this section to be used for project expenditure
 15 purposes, repayment of survey and planning advances, or repayment of
 16 temporary or definitive loans may be expended by the reuse authority
 17 without regard to any law concerning the making and approval of
 18 budgets, appropriations, and expenditures.

19 (k) Bonds, notes, or warrants issued under this section are declared
 20 to be issued for an essential public and governmental purpose.

21 SECTION 53. IC 36-7-30-25, AS AMENDED BY P.L.112-2012,
 22 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2014]: Sec. 25. (a) The following definitions apply throughout
 24 this section:

25 (1) "Allocation area" means that part of a military base reuse area
 26 to which an allocation provision of a declaratory resolution
 27 adopted under section 10 of this chapter refers for purposes of
 28 distribution and allocation of property taxes.

29 (2) "Base assessed value" means:

30 (A) the net assessed value of all the property as finally
 31 determined for the assessment date immediately preceding the
 32 adoption date of the allocation provision of the declaratory
 33 resolution, as adjusted under subsection (h); plus

34 (B) to the extent that it is not included in clause (A) or (C), the
 35 net assessed value of any and all parcels or classes of parcels
 36 identified as part of the base assessed value in the declaratory
 37 resolution or an amendment thereto, as finally determined for
 38 any subsequent assessment date; plus

39 (C) to the extent that it is not included in clause (A) or (B), the
 40 net assessed value of property that is assessed as residential
 41 property under the rules of the department of local government
 42 finance, as finally determined for any assessment date after the



- 1 effective date of the allocation provision.
- 2 Clause (C) applies only to allocation areas established in a
- 3 military reuse area after June 30, 1997, and to the part of an
- 4 allocation area that was established before June 30, 1997, and that
- 5 is added to an existing allocation area after June 30, 1997.
- 6 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
- 7 property.
- 8 (b) A declaratory resolution adopted under section 10 of this chapter
- 9 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
- 10 resolutions adopted under IC 36-7-14-15 may include a provision with
- 11 respect to the allocation and distribution of property taxes for the
- 12 purposes and in the manner provided in this section. A declaratory
- 13 resolution previously adopted may include an allocation provision by
- 14 the amendment of that declaratory resolution in accordance with the
- 15 procedures set forth in section 13 of this chapter. The allocation
- 16 provision may apply to all or part of the military base reuse area. The
- 17 allocation provision must require that any property taxes subsequently
- 18 levied by or for the benefit of any public body entitled to a distribution
- 19 of property taxes on taxable property in the allocation area be allocated
- 20 and distributed as follows:
- 21 (1) Except as otherwise provided in this section, the proceeds of
- 22 the taxes attributable to the lesser of:
- 23 (A) the assessed value of the property for the assessment date
- 24 with respect to which the allocation and distribution is made;
- 25 or
- 26 (B) the base assessed value;
- 27 shall be allocated to and, when collected, paid into the funds of
- 28 the respective taxing units.
- 29 (2) The excess of the proceeds of the property taxes imposed for
- 30 the assessment date with respect to which the allocation and
- 31 distribution are made that are attributable to taxes imposed after
- 32 being approved by the voters in a referendum or local public
- 33 question conducted after April 30, 2010, not otherwise included
- 34 in subdivision (1) shall be allocated to and, when collected, paid
- 35 into the funds of the taxing unit for which the referendum or local
- 36 public question was conducted.
- 37 (3) Except as otherwise provided in this section, property tax
- 38 proceeds in excess of those described in subdivisions (1) and (2)
- 39 shall be allocated to the military base reuse district and, when
- 40 collected, paid into an allocation fund for that allocation area that
- 41 may be used by the military base reuse district and only to do one
- 42 (1) or more of the following:



(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) **Subject to subdivision (5)**, reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) **Subject to subdivision (5)**, pay expenses incurred by the reuse authority, any other department of the unit, or a department of another governmental entity for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

(F) **Subject to subdivision (5)**, reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

(4) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:



(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (3) or lessors under section 19 of this chapter.

(C) In the case of a military base reuse authority in a county other than Marion County, if:

- (i) the amount of excess assessed value determined by the reuse authority is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3);**
- plus**
- (ii) the amount necessary for other purposes described in subdivision (3);**

the reuse authority shall submit to the fiscal body of the unit the reuse authority's determination of the excess assessed value that the reuse authority proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The fiscal body of the unit may approve the reuse authority's determination or modify the amount of



- 1 the excess assessed value that will be allocated to the
2 respective taxing units in the manner prescribed in
3 subdivision (1).
- 4 **(5) In the case of a military base reuse authority in a county**
5 **other than Marion County, at least ninety percent (90%) of**
6 **the property taxes allocated to the reuse area and paid in 2015**
7 **and each year thereafter into an allocation fund for an**
8 **allocation area under this chapter must be used for one (1) or**
9 **more of the purposes described in subdivision (3)(A) through**
10 **(3)(C).**
- 11 (c) For the purpose of allocating taxes levied by or for any taxing
12 unit or units, the assessed value of taxable property in a territory in the
13 allocation area that is annexed by a taxing unit after the effective date
14 of the allocation provision of the declaratory resolution is the lesser of:
15 (1) the assessed value of the property for the assessment date with
16 respect to which the allocation and distribution is made; or
17 (2) the base assessed value.
- 18 (d) Property tax proceeds allocable to the military base reuse district
19 under subsection (b)(3) may, subject to subsection (b)(4), be
20 irrevocably pledged by the military base reuse district for payment as
21 set forth in subsection (b)(3).
- 22 (e) Notwithstanding any other law, each assessor shall, upon
23 petition of the reuse authority, reassess the taxable property situated
24 upon or in or added to the allocation area, effective on the next
25 assessment date after the petition.
- 26 (f) Notwithstanding any other law, the assessed value of all taxable
27 property in the allocation area, for purposes of tax limitation, property
28 tax replacement, and the making of the budget, tax rate, and tax levy
29 for each political subdivision in which the property is located is the
30 lesser of:
31 (1) the assessed value of the property as valued without regard to
32 this section; or
33 (2) the base assessed value.
- 34 (g) If any part of the allocation area is located in an enterprise zone
35 created under IC 5-28-15, the unit that designated the allocation area
36 shall create funds as specified in this subsection. A unit that has
37 obligations, bonds, or leases payable from allocated tax proceeds under
38 subsection (b)(3) shall establish an allocation fund for the purposes
39 specified in subsection (b)(3) and a special zone fund. Such a unit
40 shall, until the end of the enterprise zone phase out period, deposit each
41 year in the special zone fund any amount in the allocation fund derived
42 from property tax proceeds in excess of those described in subsection



(b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment of real property in an area under IC 6-1.1-4-4 or reassessment under the county's reassessment plan under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection:

(1) may not include the effect of property tax abatements under IC 6-1.1-12.1; ~~and these adjustments~~

(2) may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the county's reassessment plan, or annual adjustment had not occurred;

(3) in the case of a military base reuse authority in a county other than Marion County, may decrease base assessed value



only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan; and

(4) in the case of a military base reuse authority in a county other than Marion County, may decrease base assessed value only to the extent necessary to provide the property tax proceeds allocable to the reuse area that are required to pay any bonds, leases, or other obligations under subsection (b)(3) or to establish or maintain any required debt service reserve for those bonds, leases, or other obligations, in the case of adjustments made after June 30, 2014.

The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) In the case of a military base reuse area in a county other than Marion County, an allocation area established under this chapter (regardless of the date on which the allocation area was established or amended) expires as provided as follows:

(1) In the case of an allocation area established before July 1, 2014, and for which no bonds or other obligations payable from allocated tax proceeds from the allocation area are outstanding on December 31, 2014, the allocation area expires January 1, 2015.

(2) In the case of an allocation area established before July 1, 2014, and for which bonds or other obligations payable from allocated tax proceeds from the allocation area are outstanding on December 31, 2014, the allocation area expires on December 31 of the first year in which no bonds or other obligations that are outstanding on December 31, 2014 (or any bonds issued to refund these obligations) and that are payable from allocated tax proceeds from the allocation area are still outstanding.

(3) In the case of an allocation area established after June 30, 2014, the allocation area expires as follows:

(A) If no bonds or other obligations that are payable from allocated tax proceeds from the allocation area are issued or entered into before December 31 of the year following the year in which the allocation area is established, the allocation area expires on January 1 of the second year following the year in which the allocation area is established.

(B) If bonds or other obligations that are payable from



1 allocated tax proceeds from the allocation area are issued
 2 or entered into before December 31 of the year following
 3 the year in which the allocation area is established, the
 4 allocation area expires on the earlier of the following:

5 (i) Twenty-five (25) years after the allocation area is
 6 initially established.

7 (ii) December 31 of the first year in which no bonds or
 8 other obligations payable from allocated tax proceeds
 9 from the allocation area are still outstanding.

10 (j) Upon the expiration of an allocation area, any balance that
 11 is remaining in the allocation fund and that is not required for a
 12 purpose described in subsection (b)(3)(A) through (b)(3)(C) for the
 13 allocation area shall be transferred to the county auditor and used
 14 to provide property tax replacement credits to taxpayers in the
 15 county in the following year. The property tax credits shall be
 16 provided in the same manner as property tax credits are provided
 17 under IC 6-3.5-1.1 (regardless of whether a tax under IC 6-3.5-1.1
 18 is in effect in the county).

19 (k) This subsection applies to property taxes first due and
 20 payable after December 31, 2014. If the base assessed value of an
 21 allocation area is less than twenty-five percent (25%) of the total
 22 assessed value within the allocation area, the base assessed value
 23 shall be increased for purposes of this chapter to an amount equal
 24 to the lesser of the following:

25 (1) Twenty-five percent (25%) of the total assessed value
 26 within the allocation area.

27 (2) An amount that will provide the property tax proceeds
 28 allocable to the reuse area that are required to:

29 (A) pay any bonds, leases, or other obligations under
 30 subsection (b)(3); and

31 (B) establish or maintain any required debt service reserve
 32 for those bonds, leases, or other obligations.

33 SECTION 54. [EFFECTIVE JULY 1, 2014] (a) IC 36-7-14-25.1,
 34 as amended by this act, applies to bonds for which a bond
 35 resolution is adopted after June 30, 2014.

36 (b) IC 36-7-14-25.2, as amended by this act, applies to a lease for
 37 which a public hearing is held under IC 36-7-14-25.2(c) after June
 38 30, 2014.

39 (c) IC 36-7-14-27.5, as amended by this act, applies to warrants
 40 issued after June 30, 2014.

41 (d) This SECTION expires July 1, 2016.

